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NATIONAL FOOD Situation

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Figure 1

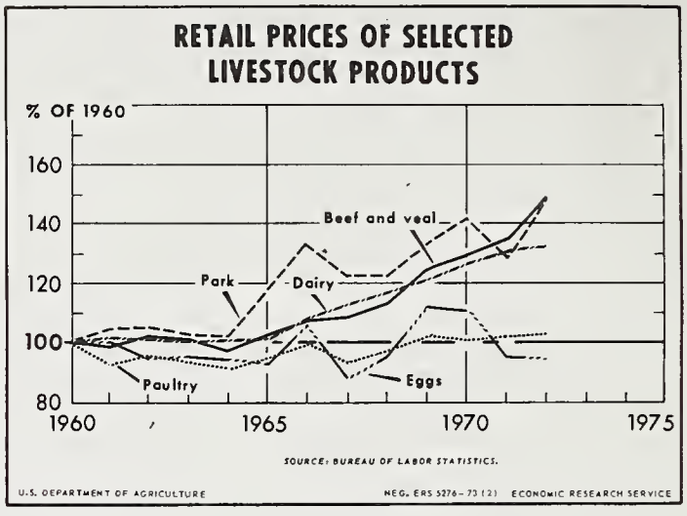

Figure 2

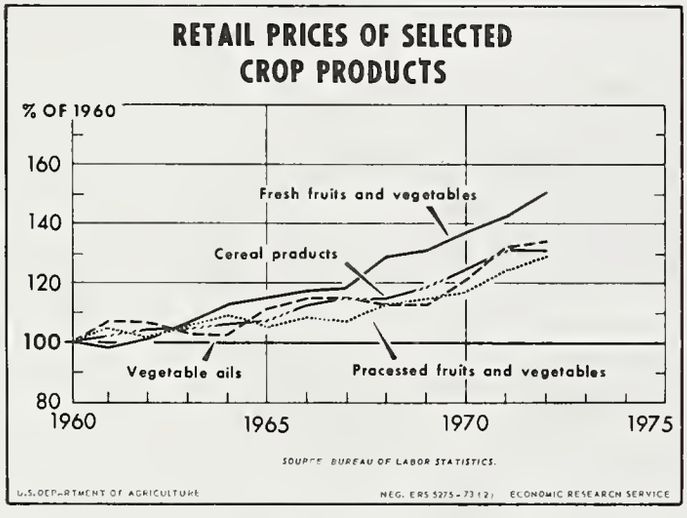

Figure 3

1972 HIGHLIGHTS

- Food prices advanced 4.3%.
- Food at home prices rose 4½%.
- Red meats increased most.
- Other foods rose less than in 1971.
- Per capita consumption about matched the 1971 level.
- Food expenditures fell to 15.7% of income

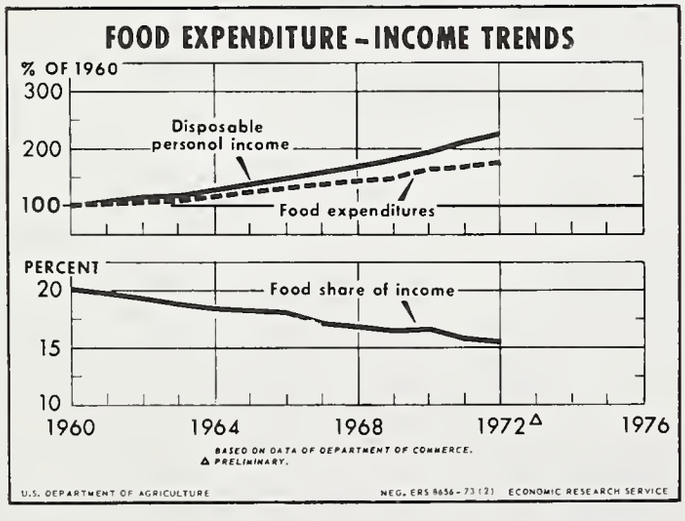

Figure 4

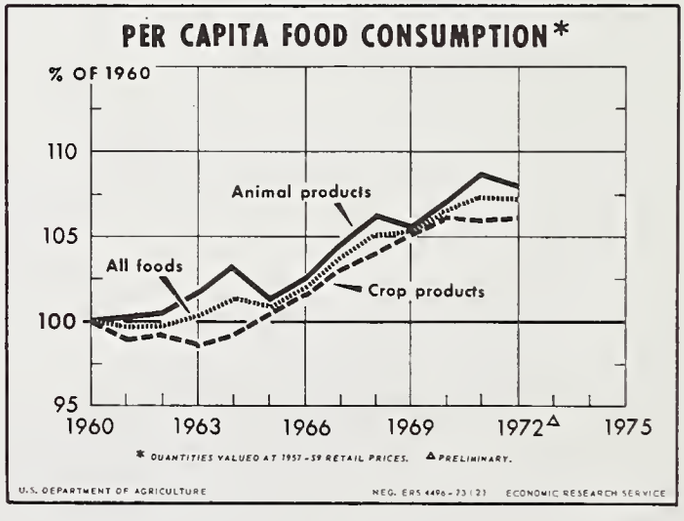

Figure 5

NATIONAL FOOD SITUATION

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Approved by
The Outlook and Situation Board
and Summary released
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Principal contributors:
Hazen F. Gale
Anthony E. Gallo
Frederick D. Gray
Helen M. Eklund

Economic and Statistical Analysis Division

Economic Research Service

U.S. Department of Agriculture
Washington, D.C. 20250

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SUMMARY

Retail food prices this year probably will average around 6 percent above 1972, due largely to this winter's sharp increase. By spring, the pace may ease as meat supplies increase above a year earlier. Thereafter, food prices on a seasonally adjusted basis may rise more slowly. By the fourth quarter, nearly all major groups will be higher priced than at the end of 1972.

Prices of livestock related foods will rise more rapidly than prices of crop related foods. The acceleration in economic activity is pushing up the demand for red meats, especially beef, and together with cyclically short supplies of pork has again raised retail meat prices to record levels. Reduced supplies have pushed egg prices much higher than a year ago. Broiler prices are rising at a more rapid pace than a year ago, reflecting currently reduced supplies, but consumer resistance may slow further price increases for fish. Prices of crop-related foods will generally rise less rapidly. However, lower fresh vegetable supplies early in the year as well as reduced deciduous fruit and processed vegetable supplies until new crops are harvested may cause a sizable increase in retail produce prices. Coffee and cereal product prices will also be higher in response to recent increases in raw product prices.

Restaurant prices likely will be up at a brisker pace than last year. The removal of wage-price controls along with the advance in wholesale food prices and stronger demand from higher disposable income will contribute to the increase.

In 1972, retail food prices rose 4.3 percent, well above the advance in 1971, but still below increases in 1970 and 1969. The nonfood price index rose 3 percent. Sharp advances in prices of beef and pork caused the acceleration in food price increases last year. Excluding these two items, price increases for grocery store food were below both the 1971 pace and the advances for nonfood items. Egg and coffee prices averaged lower than a year earlier. Increases for poultry, dairy products, fats and oils, sugar and sweets, cereal and bakery products were all below 2 percent. Fruits and vegetables rose 5 percent, the same as a year earlier; adverse weather conditions kept supplies below 1971 levels. Fish prices rose rapidly but at a slower pace than in 1971.

Since the imposition of price controls, the food price index has risen much more rapidly than nonfood prices. But much of this increase can be traced to a few major items. Excluding red meats, food-at-home prices rose much more slowly than the consumer price index for all items less food.

Food expenditures in 1972 rose 6.2 percent, less than the increase for any other major consumer item. Most of the food expenditure increase was due to higher prices. Per capita consumption was down slightly and population growth decelerated significantly. As the increase in disposable income exceeded gains in food expenditures, the share of income allocated to food declined to 15.7 percent. In 1973, expenditures may rise 7½ percent due to increases in both prices and consumption. The proportion of income allocated to food may edge down further.

Per capita food consumption is expected to reach a new high in 1973, but supplies early in the year will be somewhat reduced. For the full year, consumption of meat, poultry, fish, dairy products, vegetable oils, fruit, and processed vegetables is expected to average higher. Reductions seem likely for eggs, animal fats, fresh vegetables and potatoes, coffee, and cocoa.

In 1972, per capita consumption fell slightly from a year earlier, resulting from a reduction for livestock products. Declines for red meats, eggs, and animal fats outweighed increased consumption of poultry, fish, and dairy products. The increase in crop product consumption came primarily from vegetable oils and processed potatoes. Fruit consumption fell 2 percent, reflecting poor crops for a number of items.

Total net utilization of farm food commodities increased 3 percent in calendar year 1972, compared with a 2 percent rise a year earlier. Use of livestock food changed little as a decline in exports largely offset a slight increase in civilian food use. An 8 percent advance in use of crop food commodities largely resulted from a 24 percent increase in exports, particularly grains.

Utilization of farm food commodities likely will increase at a slower pace this year. Most of the increase will come from a sharp advance in exports but the gain will not match the very large increase in 1972. Civilian food use, which accounts for more than 80 percent of the total, may increase more than last year. Net production may be up over 5 percent, primarily reflecting expanded crop output. Livestock production will rise slightly.

FOOD PRICES

Retail Prices Rose Sharply in Fourth Quarter

Fourth quarter retail food prices averaged 1½ percent above the summer quarter after seasonal adjustment. This was below the near record increase of the first quarter, but well above rises for the spring and summer quarters. Both farm value and marketing costs rose at a rapid clip, with farm prices rising more.

After seasonal adjustment, egg prices rose over 4½ percent above the third quarter. Red meats advanced 2½ percent led by a 5½ percent boost for pork. Beef and veal prices rose less than 1 percent, but poultry, which had been rising at a slow pace, jumped almost 3 percent, as did fish. Potatoes rose over 8½ percent while vegetables were up 1½ percent.

Prices of restaurant meals and snacks averaged 1 percent above the third quarter.

1972 Retail Prices

Retail food prices rose 4.3 percent in 1972, well above the 3 percent advance a year earlier, but below increases in 1969 and 1970 (table 1). For the first time in six years, nonfood retail prices rose less than food prices (figure 1).

The 4½ percent increase in the Consumer Price Index for food eaten at home reflected a sharp cutback in pork production and steeply rising demand for beef. Excluding these two items, price increases decelerated from the 1971 pace and were well below advances for nonfood items.

Annual change in food prices

Item	1971	1972
	Percent	*Percent*
Beef and veal	4.5	9.4
Pork	-9.4	15.8
Other food	3.1	2.7
Food at home	2.4	4.5
CPI less all food	4.6	3.0

The 1972 increase got off to an early start when prices shot up sharply in February, led by a jump in meat prices (table 13). By May meat prices dropped nearly 3 percent, and fresh produce prices dropped far more than usual. The all-foods index rose fractionally. However, beginning in summer and going through the end of the year, both fresh produce and red meat prices moved upward at a sharp clip. By December, prices of food at home were 5 percent above a year earlier and preliminary data indicate further sharp rises in early 1973.

The increase at retail in 1972 mirrored an 8.7 percent advance in farm prices (figure 6). The cost of

Table 1.--Consumer, wholesale, and farm price indexes, 1971-72
(1967=100)

Item	1971	1972					Percent change 1971-1972
		I	II	III	IV	Year	
Retail prices: 1/							
All goods and services (CPI)	121.3	123.7	124.7	125.8	126.9	125.3	3.3
All items less food	122.1	124.2	125.3	126.2	127.4	125.8	3.0
All food	118.4	121.6	122.6	124.5	125.4	123.5	4.3
Food at home	116.4	119.8	120.5	122.6	123.4	121.6	4.5
Food away from home	126.1	129.0	130.4	131.9	133.3	131.1	4.0
Wholesale prices: 1/							
All commodities	113.9	117.0	118.2	119.9	121.2	119.1	4.6
Industrial commodities	114.0	116.4	117.6	118.4	119.1	117.9	3.4
Farm products	112.9	119.4	121.8	128.3	130.6	125.0	10.7
Processed food	115.6	120.2	120.3	123.0	124.0	121.9	5.4
All food 2/	115.5	119.7	119.4	123.5	124.6	121.8	5.5
Prices received by farmers: 3/							
Crops	108	110	114	117	121	116	7.4
Livestock and products	116	129	128	136	140	133	14.7
Average	112	120	122	128	132	126	12.5
Market basket of U.S. farm foods: 4/							
Retail cost	115.7	119.5	120.1	122.5	123.1	121.3	4.8
Farm-retail spread	116.5	118.6	119.0	119.3	120.4	119.3	2.4
Farm value	114.4	120.9	121.8	127.4	127.5	124.4	8.7

1/ Department of Labor, Bureau of Labor Statistics.
2/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group.
3/ Statistical Reporting Service.
4/ Economic Research Service.

marketing food rose less than 2½ percent under the restraint of wage-price controls.

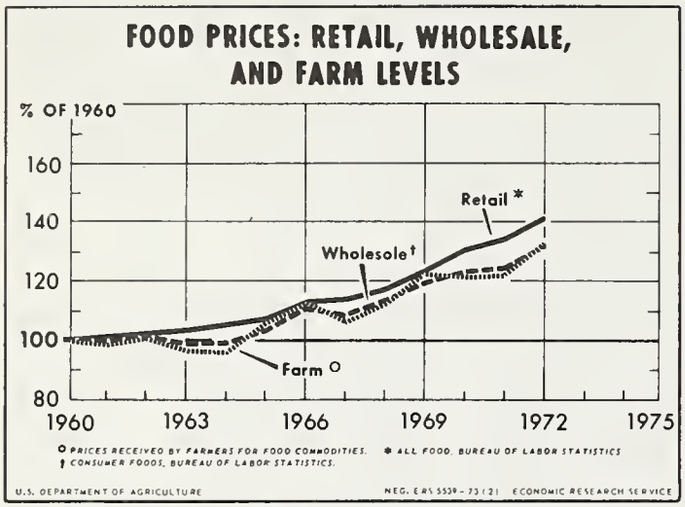

Figure 6

The prices of food eaten away from home advanced less than grocery store food prices for the first time since 1965 (figure 7). Prices of restaurant meals and snacks were up 4 percent.

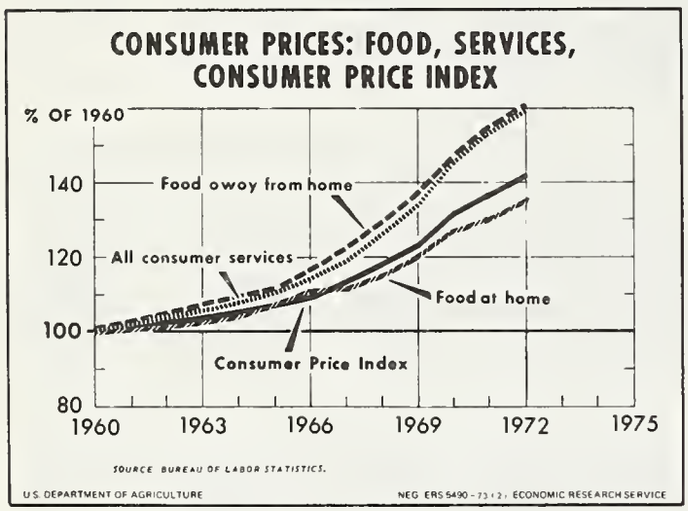

Figure 7

1972 Commodity Analysis

The Consumer Price Index for livestock-related foods (meat, poultry, fish, dairy, and eggs) averaged 6½ percent above a year earlier. In 1971, it had stayed about the same (figure 2). Crop-related product prices rose less than 2½ percent, well below the 4½ percent advance a year earlier (figure 3).

Beef and veal.—Beef and veal prices averaged about 9½ percent above 1971, a near record increase. Cattle slaughter was up slightly from a year earlier, but the rapid rise in income, along with a major advance in pork prices, caused a sharp increase in demand for beef.

Changes in retail food prices from year earlier

Item	Annual 1972 average	Fourth quarter 1972
	Percent	*Percent*
Meat	10.7	12.0
Poultry	1.3	2.1
Fish	9.0	10.9
Dairy products	1.6	1.5
Eggs	-.6	11.1
Fats and oils	1.4	-1.2
Fruits and vegetables	5.0	5.7
Sugar and sweets	1.3	.8
Cereal and bakery products	.7	.9
Beverages	-.2	1.7
Other preparations	1.8	1.9
Food at home	4.5	5.3
Food away from home	4.0	4.0
All food	4.3	5.0

Retail prices of all cuts were much higher. Sirloin showed the least gain, rising 7½ percent. Veal prices were almost 14 percent higher, while hamburger advanced 9 percent and liver rose around 14 percent.

Pork.—Reflecting the sharp cutback in hog production that began in late 1971, pork prices rose almost 16 percent in 1972, the sharpest increase in almost a quarter of a century. After seasonal adjustment, the index rose almost 9½ percent in the first quarter, but eased some in the second. Prices continued up at a rapid clip for most of the second half, ending the year 20 percent above December 1971 levels.

Prices of all pork products were much higher, ranging from an 11 percent increase for whole ham to 21 percent for sliced bacon.

Other meats.—The retail price index for lamb was 6½ percent higher. Frankfurters and sandwich meats averaged about 8 percent more.

Fish.—Retail fish prices advanced 9 percent in 1972, easing only slightly from the pace a year earlier although fish supplies were much larger. Consumption gains lagged, indicating consumer resistance to prices that have risen 50 percent since 1967. Raw shrimp prices were almost 15 percent higher than in 1971 but dropped contraseasonally in December. Price increases for canned tuna and sardines slowed dramatically from increases in 1971.

Poultry.—Poultry prices rose less than 1½ percent above 1971, although per capita supplies rose 4 percent. However, prices by yearend began edging upward, reflecting limited supplies and increased demand. For the year, turkey prices rose fractionally and broiler prices were 1 percent higher, while chicken breast prices rose nearly 3½ percent.

Eggs.—Egg prices in 1972 averaged a little below 1971. However, reduced supplies pushed seasonally adjusted egg prices up from the low level reached in

the second quarter and by December were 16 percent above a year ago.

Dairy.—Retail price rises for dairy products were slightly more than 1½ percent in 1971. Milk prices advanced by about the same percentage. Cheese prices rose about 3 percent, but butter prices declined.

Cereal products.—Cereal and bakery product prices rose fractionally in 1972. Many cereals fell from a year earlier, but the index of prices of white bread was 0.6 percent higher.

Fats and oils.—Fats and oils prices rose minimally, reflecting a lower export demand. Per capita domestic consumption rose about a pound.

Fruits and vegetables.—Fruit and vegetable prices rose 5 percent in 1972, about the same increase as in 1971. The 1972 increase reflected disruptive weather as well as continually rising labor costs in harvesting and marketing. Fresh fruit prices were up almost 5½ percent, with advances for deciduous fruit contributing most of the gain. Watermelon and strawberry prices were lower.

Fresh vegetable prices increased over 5½ percent and potatoes 8 percent. Onion and celery prices averaged over 20 percent above a year earlier. Asparagus and spinach prices were also much higher, but lettuce and tomatoes rose fractionally. Green pepper prices fell.

Processed fruits and vegetables rose less than 4 percent, well below the 6½ percent increase in 1971.

Other foods.—Coffee prices fell over 2 percent, offsetting increases for most other nonalcoholic beverages. Sugar and sweets rose a little less than 1½ percent. Lower prices for chocolate products and grape jelly partially offset a 2 percent advance for granulated sugar.

1972 Wholesale Prices

The Wholesale Price Index for all foods advanced 5½ percent in 1972, a somewhat larger advance than at retail (table 12). This was the sharpest gain since 1969. Increases at the farm level, were reflected in the higher wholesale food price index but the effect has not been reflected in the retail food price index. The advance at wholesale was sharply above the 1.8 percent increase in 1971.

Pork prices were almost 23 percent higher than in 1971, and fish prices were up 16 percent. Beef and fresh produce also posted sharp gains, but advances for poultry, eggs, dairy, cereal, sugar, and vegetable oil products were much less.

Food Prices and the Wage-Price Freeze

During the 16 months of price controls, covering Phase I and Phase II, retail prices of food at home rose 5.0 percent (seasonally adjusted at an annual rate—SAAR), as opposed to 4½ percent in the 8 months prior to control. In contrast, nonfood items slowed from a nearly 3½ percent yearly clip in the precontrol period to less than 3 percent after controls were imposed.

The more rapid pace of food items as opposed to nonfood was due to the sharp increase for red meat, which rose nearly 11½ percent (SAAR) during the freeze. In contrast, food items other than red meats which were rising almost 5½ percent before the freeze, rose 2.3 percent after controls were imposed. If it had not been for adverse weather conditions which seriously reduced supplies of some fresh produce items, the increase would have been even less. Even so, the increase for nonfood items including both Phase I and Phase II was higher than the non-meat food index.

Price controls and changes in retail food prices[1]
(Seasonally adjusted annual rate)

Item	Precontrol[2]	Control period		
		Phase I[3]	Phase II[4]	Entire period
	Pct.	*Pct.*	*Pct.*	*Pct.*
Red meat	2.1	8.6	11.8	11.4
Food at home excluding red meat[5]	5.4	-.4	2.9	2.3
Food at home	4.5	2.0	5.2	4.7
CPI all items less all food	3.4	2.3	3.1	2.9

[1] Change from beginning to end of period indicated. [2] December 1970 to August 1971. [3] August 1971 to November 1971. [4] November 1971 to December 1972. [5] Estimated by ERS.

The sharp advance for red meat prices reflected both the reductions in pork supplies and an accelerated demand for red meats. The imposition of controls in August 1971 took place as hog producers were sharply curtailing production after hog prices had fallen sharply. Although low poultry prices stimulated a major increase in poultry consumption to help fill the gap, the major rise in pork prices drove up the demand and price for beef. Demand was pushed further along by a major increase in disposable income, so beef prices rose sharply despite a major increase in production.

Phase III.—The food industry remains subject to mandatory controls in Phase III. As in Phase II, initial sales of raw agricultural products are exempt from price regulation, but processed products are covered. Under Phase III, wholesalers and retailers are permitted to maintain calculated markups as costs of their merchandise rise and fall.

Marketing Costs and Farm Values.—Much of the advance in the retail cost of food was due to higher farm prices. During the entire control period, the charges for marketing food fluctuated some but by the end of Phase II in December, they were about the same as in August 1971. During the same time farm

prices of the commodities used for food rose 16 percent.

Outlook for 1973

A sharp gain in disposable income, along with slowly increasing meat supplies and a rise for some products which have been relatively stable, will likely push the 1973 retail food-price index at a brisker pace than a year earlier. Retail prices for all foods may average around 6 percent above a year earlier. Much of the increase is due to the very sharp rise late last year and early this year.

Food at Home.—Prices of food purchased in grocery stores may advance 6-6½ percent above 1972. Real disposable income is expected to rise about 6 percent in 1973, about twice the pace of a year earlier, and will boost the demand for already high-priced foods, primarily red meats. An accelerated pace in the price of nonfood commodities, along with increases in most wages and salaries, will add to the anticipated increase in food prices. Charges for marketing food, which had been restrained during the freeze, may also begin to rise faster in the months ahead.

Increased worldwide demand for animal feeds may eventually push up the prices of many livestock products even faster.

Preliminary data indicate a sharp boost in the food-at-home index for January and February, pushing prices around 8-9 percent above a year earlier. Some narrowing in year-to-year price changes appears likely towards the end of the year, barring serious adverse weather conditions or stronger than expected worldwide demand for food and agricultural products.

While first quarter prices will be much higher than in the fourth quarter of 1972, some easing may be in store for the spring quarter. By summer, however, when prices crest seasonally, the index will regain some strength. Prices could ease some in the fourth quarter but still be well above a year earlier.

Both crop and livestock foods will contribute to the price advance but livestock related food products will again rise much more than crop related foods.

Among livestock products, beef and veal prices in the first half of 1973 will be well above a year ago, but will level off in the second half. Pork prices will average much higher than a year earlier this winter and into summer, but prices will ease off noticeably in the fall as increased hog production reaches the market. Poultry prices will average above year-earlier levels this year, reflecting a leveling in production. Fish price increases will slow from 1972, but prices will still be higher as demand outpaces a modest increase in supplies. Prices may be further moderated if consumers substitute less expensive alternative species for more established species. Dairy prices likely will increase about 3 percent in 1973, about twice last year's pace, reflecting a decline expected in commercial supplies. Egg prices, after being depressed for several years, will continue very high until spring. Even the decline in prices which is anticipated later in the year will leave prices well above mid 1972 levels.

Among crop related foods, the index for fresh vegetables likely will average moderately higher than a year earlier, depending on the extent of inclement weather. Fresh market vegetable supplies are averaging 4 percent less this winter than a year earlier. Potato prices will average much higher than in 1972, reflecting the lightest crop in 4 years. Processed vegetables will also be higher priced, supplies are slightly less than a year ago.

Fruit prices likely will rise at about the same pace as in 1972. The increase in citrus supplies seems insufficient to completely offset reduced supplies of deciduous fruit, until new crops are harvested. Cereal and bakery prices may rise at about twice last year's pace as higher wheat prices are reflected at retail. Coffee prices will be up substantially due to tightening world supplies. Sugar and sweets will be up moderately.

Food Away from Home.—The food away-from-home component, which rose slightly less than food at home in 1972, appears headed for another sharp advance. The sharp increase in wholesale food prices at yearend 1972 will likely be reflected in restaurant meal prices in coming months. On the demand side, a major increase in wages and disposable income will cause an increase in the number of meals eaten out.

FOOD SPENDING AND INCOME

Food expenditures in 1972 rose to $124.6 billion, 6 percent above a year earlier (table 2). The increase was well above that of 1971, but largely reflected higher prices. Per capita consumption was slightly lower than in 1971. Population advances decelerated significantly. The rest of the increase was due to more marketing services associated with food.

The sharpest increases last year took place in the spring and fall quarter. Food expenditures rose at a more leisurely pace in summer.

Expenditures on meals eaten away from home rose almost 8 percent, twice the pace of a year earlier. The level of expenditures in constant dollars advanced in 1972; they had fallen in 1971.

Expenditures for food eaten at home rose less than 6 percent in 1972. Much of the increase reflected the sharp jump in expenditures for livestock-related food products, primarily red meats; per capita consumption declined but was more than compensated by the very sharp price advances.

Table 2.--Expenditures for food in relation to disposable income, 1960 and 1965-72 1/

Year	Disposable personal income	Personal consumption expenditures for food 2/					
		For use at home 3/		Away from home 4/		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Bil. dol.	Bil. dol.	Pct.	Bil. dol.	Pct.	Bil. dol.	Pct.
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1965	473.2	69.3	14.6	16.5	3.5	85.8	18.1
1966	511.9	73.8	14.4	18.2	3.6	92.0	18.0
1967	546.3	74.5	13.6	19.4	3.6	93.9	17.2
1968	591.0	79.0	13.4	20.7	3.5	99.7	16.9
1969	634.4	82.0	12.9	22.1	3.5	104.1	16.4
1970	689.5	90.2	13.1	24.0	3.5	114.2	16.6
1971	744.4	92.4	12.4	24.9	3.4	117.3	15.8
I	725.7	92.0	12.7	24.5	3.4	116.5	16.1
II	742.9	92.3	12.4	24.6	3.3	116.9	15.7
III	750.4	92.5	12.3	24.8	3.3	117.3	15.6
IV	758.5	92.6	12.2	25.7	3.4	118.3	15.6
1972	795.1	97.8	12.3	26.8	3.4	124.6	15.7
I	770.5	94.3	12.3	26.3	3.4	120.6	15.7
II	782.6	97.4	12.4	26.6	3.4	124.0	15.8
III	798.8	98.8	12.4	26.7	3.3	125.5	15.7
IV 5/	828.4	100.6	12.2	27.6	3.3	128.2	15.5

1/ Quarterly data are seasonally adjusted annual rates. 2/ Derived from data of Department of Commerce, Survey of Current Business and The National Income and Product Accounts of the United States, 1929-65, assuming one-fourth of purchased meals and beverages is alcoholic beverages and the balance of reported alcoholic beverages is for off-premise use (consistent with 1963 Census of Business Merchandise Line Sales). Omits alcoholic beverages, food donated by Government agencies to schools and needy persons, and non-personal spending for food such as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees. 3/ Includes food consumed on farms where produced. 4/ Includes food served to the military and employees of hospitals, prisons, and food service establishments. 5/ Preliminary.

Expenditures for crop-related food products reflected a slight increase in consumption and a moderate advance in prices.

1972 Commodity Review

Beef and veal.—The rapid acceleration in expenditures for beef reflected a sharp increase in prices and a moderate increase in consumption. As a result, the share of consumer expenditures for food allocated to beef rose dramatically.

Pork.—Expenditures for pork were up substantially, although per capita consumption fell considerably. A sharp increase in prices accounted for the rise.

Fish.—Expenditures for fish rose sharply relative to a year earlier when decreases in consumption largely offset rapidly rising prices. In 1972, both rose at a sharp clip.

Eggs.—Expenditures for eggs dropped for the second consecutive year. Both consumption and prices were down.

Poultry.—Expenditures for poultry went up significantly. Consumption was up sharply as consumers substituted chicken and turkey for higher priced red meats. Poultry prices advanced.

Dairy.—Expenditures for dairy products advanced at a usual moderate pace. Both prices and consumption advanced modestly.

Fresh vegetables.—The increase in expenditures reflected price advances. Consumption was up slightly from a year earlier.

Fresh fruit.—Expenditures were up because of higher prices. Consumption was down significantly.

Processed fruits and vegetables.—Expenditures for processed produce were up moderately. Consumption of processed fruit was down, but processed vegetables rose. However, prices for processed fruits and vegetables went up.

Beverages.—The increase in beverage expenditures reflected higher coffee and soft drink consumption. Coffee prices were lower and soft drink prices rose minimally.

Other foods.—Sugar and sweets and cereal product expenditures rose minimally. Fats and oils rose only slightly.

Other Personal Expenditures

Total personal consumption expenditures, which had been regaining strength during 1971, rose 8½ percent to $721 billion in 1972. Expenditures for durable goods, up 12 percent, rose the most. Services advanced 7.8 percent, nondurables slightly less.

Among major household items, consumers increased their expenditures for food the least. Housing and household operations expenditures together rose 8½ percent, well above the gain for both

Increases in personal income and expenditures[1]

Item	1971	1972[2]
	Billion dollars	*Billion dollars*
Disposable personal income ..	54.9	50.7
Personal consumption expenditures	48.1	56.2
Durable goods	13.0	12.8
Nondurable goods	13.7	21.4
Food	3.1	7.3
Food at home	2.2	5.4
Food away from home..	.9	1.9
Nonfood	10.6	14.1
Services	21.5	22.1

[1] Data may not add due to rounding. [2] Preliminary.

food at home and restaurant meals and snacks (figure 8). Furniture and household equipment advanced almost 14 percent, and purchases of automobiles and parts followed closely at a 13 percent clip. Medical expenditures rose 11 percent, and buyers increased their purchases of clothing nearly 9 percent.

Food accounted for less than 16 percent of disposable personal income, housing and household operations expenditures accounted for 19 percent. Clothing accounts for almost 8 percent.

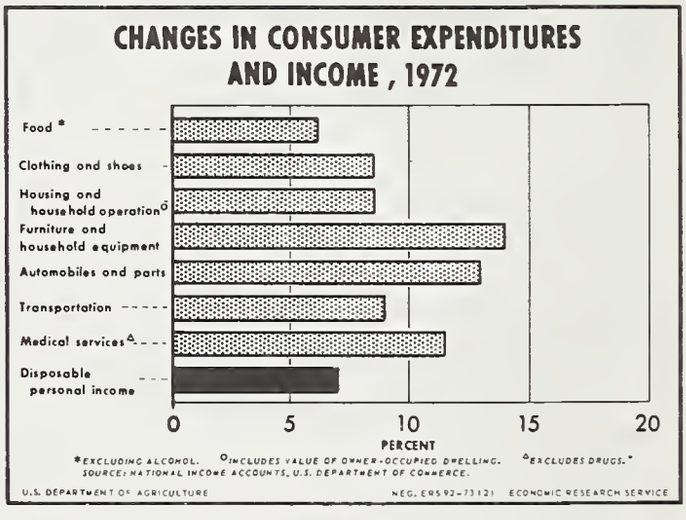

Figure 8

Income

Personal income advance 8½ percent in 1972, compared with a 7 percent increase a year earlier. Because of higher withholding taxes, however, disposable personal income advanced 6.8 percent in 1972, somewhat less than in the advance in 1971. In constant dollars, DPI rose at a 4 percent yearly clip in both years. Because the advance in income exceeded the increase in food expenditures the share of income allocated to food declined slightly from 15.8 percent to 15.7 percent (figure 4).

Table 3.--Federal cost of USDA food programs, 1969-72 1/

Year	Food stamps		Food distribution 3/				Child nutrition 5/				Total 6/
	Total issued	Bonus stamps 2/	Needy families	Supplemental food 4/	Schools	Institution	School lunch	School breakfast	Special food	Special milk	
	Million dollars										
1969	703	272	256	4	256	24	227	8	5	100	1,152
I 7/	163	69	67	8/	84	8	67	2	8/	31	328
II	171	64	60	1	43	7	51	2	1	26	255
III	178	68	64	1	37	5	26	1	2	12	216
IV	190	71	66	2	92	4	83	3	1	31	353
1970	1,926	1,103	295	12	271	24	366	14	15	96	2,198
I	287	153	75	2	102	6	94	4	2	32	469
II	433	258	78	3	35	7	96	4	3	26	510
III	536	316	72	4	36	6	40	1	9	10	494
IV	670	377	71	3	98	5	136	6	2	28	725
1971	3,101	1,692	318	16	288	28	626	21	34	91	3,115
I	740	410	85	4	110	6	185	7	3	30	839
II	772	422	82	4	35	8	168	5	6	24	753
III	777	420	76	5	40	7	57	2	21	10	639
IV	812	441	75	4	103	7	216	7	4	28	884
1972	3,614	1,985	261	16	272	26	788	28	46	91	3,513
I	844	466	76	3	114	6	249	8	4	30	957
II	872	471	67	4	35	6	187	7	9	24	810
III	934	519	59	5	42	7	89	3	28	12	763
IV 7/	964	529	59	4	82	7	263	10	5	26	983

1/ Totals may not add due to rounding.
2/ Includes Food Certificate Program.
3/ Cost of food delivered to State distribution centers.
4/ Includes special food services for preschool and school age children in nonprofit institutions.
5/ Money donated for local purchase of food. Excludes nonfood assistance.
6/ Excludes those food stamps paid for by the recipient.
7/ Estimated.
8/ Less than 0.5 million.

Outlook for 1973

Consumers likely will increase their expenditures for food sharply in 1973. Disposable personal income, bolstered by an increase in employment and wages and a large income tax refund from 1972, will be up 9½ percent. Per capita consumption may rise above 1972 levels, and with a 6 percent increase in prices, food expenditures will probably rise around 7½ percent.

The brisker advance for disposable income, however, will cause the share of income allocated to food to drop to around 15½ percent.

Food Programs

Value up Sharply

The value of USDA Food Programs rose almost 13 percent to $3½ billion in 1972 (table 3). The percent of total food expenditures accounted for by government sponsored food programs rose from 2.7 percent in 1971 to 2.8 percent in 1972.

Most of the increase came from the Food Stamp Program which rose $293 million to almost $2 billion. Part of this advance reflected the continuing shift from commodity distribution to the food stamp program. Changes in eligibility requirements, increases in the allotment of bonus stamps, and increased participation in the wake of Hurricane Agnes also contributed to the advance.

The value of child nutrition programs went up over $181 million, primarily reflecting increases in the school lunch and breakfast programs. Direct commodity donations to schools fell almost $16 million.

Participation Increases

Five hundred thousand more people participated in family food assistance programs in 1972, bringing total participation to nearly 15 million people. The number of participants has risen 9 million since 1967, but increases are slowing as the number of eligibles not participating has been greatly reduced.

Among family food assistance programs in 1972, average participation in commodity distribution fell by 600,000 as more areas shifted to food stamps. Food stamp participation rose 1.1 million.

Participation in the school lunch program averaged 24.8 million children, up slightly from 1971. However, participation in the school breakfast program increased by 200,000 to 1.1 million children.

PER CAPITA FOOD CONSUMPTION

Per capita food consumption is expected to reach a new high in 1973, though smaller supplies are likely early in the year. Consumption of eggs, deciduous fruit and processed vegetables likely will lag year-ago levels throughout the first half and meat and fresh vegetable consumption will be lower in the first quarter. For the year, however, gains are expected in consumption of meat, poultry, fish, dairy products, vegetable oil, fruit (both fresh and processed), and processed vegetables. Expected reductions for eggs, animal fats, fresh vegetables and potatoes, coffee and cocoa will be only partly offsetting.

The slight decline last year from the record high 1971 food consumption rate reflected a small reduction for livestock products and an increase in consumption of crop foods (table 4, figure 5). Among livestock foods, declines for meat, eggs, and animal fats outweighed increased consumption of poultry, fish and dairy products (figure 9). Increases for vegetable oils, processed potatoes, dry beans, and peanuts and fractional upward movement for vegetables and sweeteners slightly overshadowed a drop in fruit consumption and slightly lower cereal product use (figure 10).

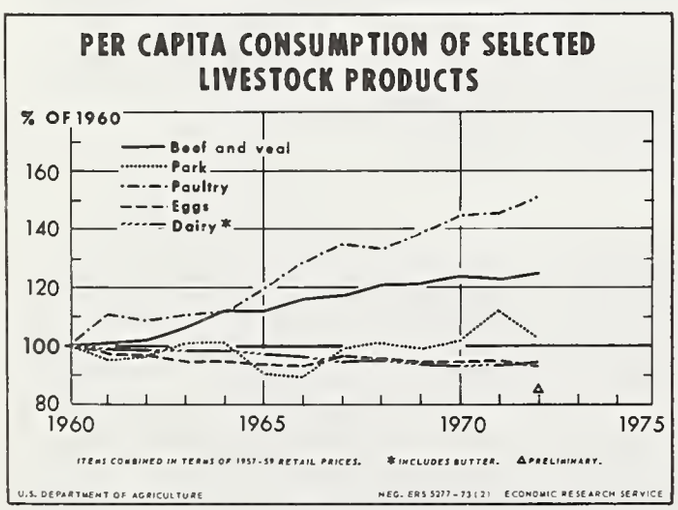

Figure 9

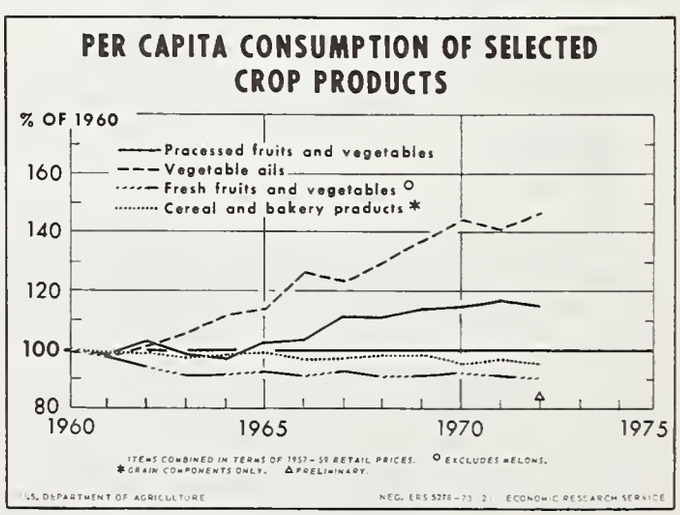

Figure 10

Table 4.--Per capita food consumption index, 1960-72 1/
(1967=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy products 2/	Fats and oils			Fruits 3/		
						Animal 2/	Vegetable	Total	Fresh	Processed	Total
1960	92	75	95	104	106	123	81	96	111	95	103
1961	92	82	99	101	104	125	78	95	107	92	99
1962	93	81	98	101	105	123	81	96	102	96	99
1963	96	82	99	98	104	119	85	97	93	88	90
1964	98	84	97	98	104	116	90	99	98	85	91
1965	94	89	101	97	103	111	92	99	100	90	95
1966	96	96	100	97	102	99	102	101	100	90	95
1967	100	100	100	100	100	100	100	100	100	100	100
1968	103	99	102	99	101	103	104	103	98	97	97
1969	102	103	102	98	100	95	110	105	98	102	100
1970	104	108	109	99	99	90	116	107	101	103	102
1971	107	109	103	99	99	90	114	105	99	105	102
1972 4/	105	113	106	97	100	87	119	108	96	103	100

	Vegetables 5/			Potatoes and sweetpotatoes		Cereal products	Sugar and sweeteners	Coffee, tea, and cocoa	All food		
	Fresh	Processed	Total	Fresh	Processed				Animal products	Crops 6/	Total
1960	107	84	99	129	56	103	98	100	95.7	97.1	96.4
1961	104	85	98	127	59	102	98	102	95.8	96.4	96.0
1962	102	89	97	121	64	101	99	102	96.2	96.5	96.3
1963	101	89	97	124	69	100	99	105	97.3	95.9	96.6
1964	100	91	97	113	76	101	99	102	98.8	96.4	97.6
1965	100	95	98	105	86	101	99	99	96.9	97.6	97.2
1966	98	97	98	106	98	99	100	99	98.1	98.6	98.3
1967	100	100	100	100	100	100	100	100	100.0	100.0	100.0
1968	99	104	100	101	106	101	103	100	101.5	101.1	101.2
1969	99	104	101	94	118	101	104	97	101.2	102.0	101.5
1970	100	104	101	91	121	98	106	94	102.5	103.1	102.8
1971	99	105	101	87	124	99	107	92	103.9	102.8	103.4
1972 4/	99	105	101	87	127	98	107	92	103.4	103.0	103.3

1/ Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. Data for earlier years are given in the 1970 Supplement to Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, November 1971. 2/ Includes butter. 3/ Excludes melons and baby food. 4/ Preliminary. 5/ Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes. 6/ Includes melons, dry beans and peas, nuts, soup, and baby food in addition to groups shown separately.

Livestock Products

Through the first half of 1972, per capita consumption of livestock products was slightly higher than a year earlier (table 5). More eggs in the first quarter and large gains for poultry and dairy products throughout the first half overcame a 1 percent reduction for meat.

A sharp reduction from the 1971 record meat consumption rate and lower egg use brought total livestock consumption in the third quarter as much as 2 percent below a year earlier. But in the fourth quarter, advances of 2 percent for poultry and 1 percent for dairy products nearly made up for reductions from year earlier for meat and eggs.

While a normal seasonal pattern calls for nearly 3 percent higher consumption of livestock products in the last half of the year over the first, the increase in 1972 amounted to less than 2 percent. A contraseasonal decline for meat was primarily responsible for the sharp decline in the seasonally adjusted livestock food consumption index in the third quarter. The small seasonally adjusted advance in the fourth quarter resulted from 1 percent gains for meat and dairy products and declines of 2 percent for eggs and 1 percent for poultry.

Per capita food consumption indexes, seasonally adjusted

Period		Total livestock	Meat
		1967 = 100	
1971	I	103.9	106.0
	II	103.4	108.3
	III	104.9	108.9
	IV	103.5	105.8
1972	I	104.1	105.2
	II	103.9	106.9
	III	102.5	103.3
	IV	103.0	104.3

In 1973 per capita consumption of livestock products in total may nearly match 1972 levels in the first half and is expected to be above last year's levels the rest of the year. With the exception of lower meat consumption in the first quarter and less eggs and animal fats throughout the year consumption of these products is expected to equal or exceed last year's quarterly rates. However, consumption of livestock products probably will not reach the record quarterly average achieved in the third quarter of 1971.

Commodity Reviews

Meat.—Red meat consumption in 1973 is expected to rise a little above the 189 pounds (carcass weight) per person consumed in 1972. Beef will account for all of the increase. Little change is likely in pork consumption while veal and lamb consumption will decline.

Red meat consumption dropped about 3 pounds per person in 1972, with a 5½-pound reduction in pork only partly offset by a 3 pound increase in beef (table 6). Lamb and mutton consumption rose slightly to 3.3 pounds per person, reflecting larger imports. Veal consumption declined to 2.2 pounds, down from 2.7 pounds in 1971.

Beef consumption in 1973 likely will rise 2 to 3 pounds per person above the 115.9 pounds consumed in 1972. Beef output probably will rise moderately and imports will rise since they are not being limited by the Government. Beef consumption in the first half is expected to run a little larger than the 57.0 pounds consumed during January-June 1972, with fed beef accounting for most of the increase.

Veal consumption is declining again in 1973 because of the dwindling dairy herd and the exceptionally strong demand for feeder cattle. First half 1972 consumption averaged 1.1 pounds per person.

Substantially higher hog prices during 1972 are encouraging pork producers to farrow more sows in the first half of 1973 which will lead to a substantial increase in pork production in the second half of the year. However, first half output will remain a little smaller than in January-June 1972 as the downswing in the slaughter cycle draws to an end. Thus, pork consumption this winter and spring will total about a pound per person less than the 34.2 pounds consumed in the first half of 1972.

Lamb and mutton consumption rose last year as a small reduction in production was more than offset by larger imports. This year, production probably will continue declining because of the downtrend in the sheep flock. Also, imports are not expected to be as large as in 1972.

Fishery products[1].—With domestic production down slightly, higher imports accounted for the 0.3-pound increase in consumption of fishery products in 1972. Still consumption did not reach the 1970 near-record level. Most of the increase was in canned fish which, at 4.5 pounds per person, rose to a level not exceeded since 1950. Fresh and frozen fish consumption, which includes quantities used in frozen fish sticks and portions, increased 0.1 pound. The 8 percent larger total fish supplies in 1972 were not completely absorbed at prevailing high prices and stocks at yearend were up.

Much of the inventory accumulation last year was in fresh and frozen fish, primarily frozen fish blocks

[1]Prepared from information submitted by Market Research and Service Division, National Marine Fisheries Service, Department of Commerce.

Table 5.--Livestock products: Per capita consumption indexes, quarterly, 1969-72 1/
(1967=100)

Year and quarter		Meat	Poultry	Eggs	Dairy products: Excluding butter	Dairy products: Including butter	Animal fats: including butter	Total livestock products 2/
1969	I	102.9	85.2	99.4	98.2	98.7	100.7	99.3
	II	99.5	97.3	97.0	102.8	102.2	88.1	99.7
	III	102.7	106.9	96.9	100.6	100.1	95.6	101.9
	IV	103.7	123.5	99.1	99.2	99.2	95.2	103.8
1970	I	101.5	91.8	98.9	98.9	98.9	99.4	99.4
	II	100.8	102.1	96.5	100.4	99.4	83.7	99.9
	III	104.8	113.2	97.2	100.2	99.7	84.3	103.1
	IV	109.7	124.5	101.0	98.5	98.6	93.9	106.7
1971	I	106.2	92.8	100.5	99.0	99.0	98.8	102.0
	II	106.1	99.8	98.8	99.9	99.0	83.7	102.3
	III	109.0	113.0	97.1	100.2	99.3	86.8	105.2
	IV	107.6	128.7	100.7	99.0	99.1	92.6	106.2
1972 3/	I	105.4	96.3	101.9	100.0	100.0	94.9	102.2
	II	104.8	107.7	95.9	101.6	100.6	82.4	102.8
	III	103.4	115.8	95.1	101.0	100.0	85.6	102.8
	IV	106.1	131.1	96.8	100.6	100.1	85.6	105.7

1/ Civilian consumption only. Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combined in terms of average 1957-59 retail prices. Data since 1955 are in the 1970 Supplement to Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, November 1971.

2/ Excludes fish and honey.

3/ Preliminary.

Table 6.--Civilian per capita consumption of major food commodities (primary distribution weight) and civilian population, selected years 1/

Commodity	1960	1967	1969	1970	1971	1972	1972 as percentage of 1971
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Pct.
Meats (carcass weight)	160.9	178.3	182.5	186.3	191.8	188.8	98
Beef	85.1	106.5	110.8	113.7	113.0	115.9	103
Veal	6.1	3.8	3.3	2.9	2.7	2.2	81
Lamb and mutton	4.8	3.9	3.4	3.3	3.1	3.3	106
Pork (excluding lard)	64.9	64.1	65.0	66.4	73.0	67.4	92
Fish (edible weight)	10.3	10.6	11.2	11.8	11.2	11.5	103
Poultry products:							
Eggs (farm basis)--Number	335	324	318	319	322	315	98
Chicken (ready-to-cook)	28.1	37.2	39.1	41.4	41.4	42.9	104
Turkey (ready-to-cook)	6.1	8.6	8.3	8.2	8.5	8.9	105
Dairy products:							
Cheese	8.3	10.1	11.0	11.5	12.2	13.1	107
Condensed and evaporated milk	13.7	9.0	7.9	7.1	6.8	6.2	91
Fluid milk and cream (milk equivalent)	322	285	272	264	259	258	100
Ice cream (product weight)	18.3	17.8	18.0	17.7	17.6	17.9	102
Fats and Oils--Total, fat content	45.3	49.4	51.9	53.3	52.1	53.1	102
Butter (actual weight)	7.5	5.5	5.4	5.3	5.1	5.0	98
Margarine (actual weight)	9.4	10.5	10.8	11.0	11.1	11.3	102
Lard	7.6	5.4	5.1	4.7	4.3	3.6	84
Shortening	12.6	15.9	17.1	17.3	16.8	16.9	101
Other edible fats and oils	11.5	15.1	16.8	18.2	18.1	19.5	108
Fruits:							
Fresh	93.4	80.9	79.0	81.4	80.0	77.7	97
Citrus	33.7	31.6	28.3	28.6	29.2	27.3	93
Apples (commercial)	18.3	16.2	15.1	18.5	16.2	17.4	107
Other (excluding melons)	41.4	33.1	35.6	34.3	34.6	33.0	95
Processed:							
Canned fruit	22.6	22.6	24.2	23.3	21.9	20.3	93
Canned juice	13.0	11.7	14.7	14.2	15.4	15.6	101
Frozen (including juices)	9.1	10.1	9,3	9.8	10.2	10.4	102
Dried	3.1	2.8	2.7	2.7	2.6	1.8	69
Vegetables:							
Fresh 2/	105.9	98.1	98.9	99.5	98.6	98.2	100
Canned, excluding potatoes and sweetpotatoes *	43.4	49.0	51.6	51.1	51.2	51.6	101
Frozen, excluding potatoes	7.0	9.0	9.1	9.6	9.7	9.6	99
Potatoes, fresh equivalent *	108.4	108.0	116.8	117.7	118.9	120.2	101
Sweetpotatoes, fresh equivalent *	7.1	5.8	5.7	5.6	4.9	4.9	100
Grains:							
Cornmeal and flour	6.6	7.2	7.4	7.4	7.4	7.4	100
Corn sirup	10.1	14.1	15.4	15.8	16.2	16.5	102
Corn sugar	3.7	4.6	4.9	5.0	5.2	5.2	100
Wheat flour 3/	118	112	112	110	110	110	100
Wheat cereals	2.8	2.9	2.9	2.9	2.9	2.9	100
Rice, milled	6.1	7.5	8.3	6.7	7.7	7.0	91
Other:							
Coffee (green beans)	15.8	14.8	14.2	13.8	13.2	13.9	105
Tea	.59	.69	.73	.72	.77	.78	101
Cocoa beans	3.6	4.2	3.9	3.9	4.0	4.4	110
Peanuts (shelled)	4.9	5.7	5.9	5.9	5.9	6.1	103
Dry edible beans	7.3	6.9	6.8	5.9	5.9	6.2	105
Melons	25.8	22.4	23.1	23.4	22.7	22.0	97
Sugar (refined)	97.6	97.3	100.1	102.5	102.4	102.4	100
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Civilian population 4/	178.1	195.2	199.1	201.6	204.2	206.5	101

1/ Quantity in pounds, except for eggs. Data on calendar year basis except for dried fruits, which are on pack-year basis, fresh citrus fruits and peanuts on a crop-year basis, and rice on August 1 year. Fresh citrus year begins in previous October and rice year begins in previous August.

2/ Commercial production for sale as fresh produce.

3/ Includes white, whole wheat, and semolina flour.

4/ July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

* Data have been revised based on information from the 1969 Census of Agriculture.

used for processed frozen products. A shift to use of lower priced species to slow the price rise for these products may lead to increased consumption in 1973. Use of canned and cured fish is expected to remain at last year's levels.

Shellfish consumption also was restricted and inventories rose because of high prices last year though the situation was mixed. Large shrimp were in heavy supply, but on the other hand, products such as oysters, which were hard hit by Hurricane Agnes last summer, were in short supply. Supplies of medium and small shrimp, scallops, and spiny lobsters were all above 1971 levels but prices remained high until late in the year.

Among canned items, large production increases for tuna and sardines were partially offset by a sharp decline for salmon. Price increases, particularly for tuna, slowed dramatically from those in 1971, thus stimulating consumption.

Poultry.—Both chicken and turkey consumption hit records last year. Chicken consumption was nearly 43 pounds per person, and setting new records in each quarter of the year. Turkey increased nearly half a pound to 9 pounds per person. The increased use came largely in spring and summer; there was year-to-year decline in the fourth quarter. Thus, for the first time fourth-quarter consumption of turkey slipped significantly below 50-percent of the annual total. Ten years earlier 56 percent of the civilian turkey supply was consumed in the fourth quarter as compared to 46 percent in 1972. As a result producers are able to spread production and distribution somewhat more evenly over the year.

Broiler supplies will be about the same as a year ago in early 1973 but will lag during the spring. In response to sharply rising feed prices last fall producers cut back egg settings. Producers likely will again expand broiler production for summer and fall marketing. Thus, per capita consumption of chicken may be slightly under 1972 levels in the first half but for the year could show an increase.

Turkey likely will gain again in 1973. Despite a 15 percent increase in September-December placements for marketing during the light marketing months of early 1973, strong demand is expected to hold prices above the 1972 level. In addition to several general factors—rising incomes, a high level of employment and relatively high meat prices—there is a growing demand for further processed turkey products.

Eggs.—Following a five-year period in which consumption of eggs averaged 320 per person, it dropped to 315 in 1972, close to the all-time lows registered in 1965 and 1966. Following a relatively high level in the first quarter consumption dropped to all-time lows in the remaining periods of the year. Throughout 1973 consumption is expected to remain below last year's levels but the margin will narrow as the year progresses.

Dairy products.—The 1 percent increase in per capita consumption of milk in all products last year, after 8 years of persistent decline, was nearly all due to a 7½ percent increase for cheese and a 1.7 percent gain in milk used for frozen dairy desserts (mainly ice cream). Declines in consumption of milk used for fresh fluid products slowed noticeably from the downtrend of the previous 6 years. Butter consumption continued to slip and there were substantial declines for canned and dried whole milk. While use of low-fat products—primarily fresh fluid items—again increased substantially, per capita consumption of nonfat dry milk declined.

The slowing of price increases in 1972 undoubtedly stimulated consumption. Though the price rise for dairy products is expected to be greater this year, it likely will lag increases for other livestock-related food groups. Little change is expected in per capita consumption of dairy products, despite smaller CCC donations for school lunch and welfare use and continuing decline of farm household use of home-produced milk.

Increased commercial demand and generally higher prices reduced CCC removals of dairy products from the commercial market to the equivalent of 5.4 billion pounds of milk in 1972 from 7.3 billion in 1971. Removals are expected to be smaller this year.

At the beginning of 1973 commercial stocks of manufactured dairy products were a little larger than a year earlier, with butter stocks down and cheese stocks up. CCC has practically no cheese and little nonfat dry milk on hand, but butter stocks are slightly larger than a year ago.

Imports of dairy products were up a fourth in 1972 from the relatively low level a year earlier. Most of the gain was in cheese. Increasing world dairy supplies will press harder for entry in 1973 and imports may rise slightly. Shortage of nonfat dry milk late last year caused the United States to allow 25 million pounds of nonfat dry milk to enter the country in early 1973, in addition to the 1.8 million pound annual quota.

Fats and oils.—During calendar 1973 per capita consumption of food fats and oils is expected to total around 53-54 pounds, fat content, up a bit from 1972. Slight increases in margarine, shortening, and cooking and salad oils may more than offset reduced butter consumption. Per capita use of lard, in total, is not expected to change much, though direct use is expected to decline again from the all-time low of last year; use in shortening and margarine will be up.

Per capita consumption of fats and oils dipped a pound in 1971, but in 1972 recovered close to 1970's record rate of 53.3 pounds. The drop had been primarily in shortening and lard, neither of which returned to the earlier level; the gain for cooking and

salad oils, however, approached 1½ pounds between 1970 and 1972.

Peanut supplies are more than ample to cover food requirements. Edible use is expected to increase a little from last year's 5.9 pounds per person (kernel basis). Roughly half of this total will be consumed in the form of peanut butter and the balance in peanut candy and salted and roasted peanuts.

Fruit.—Consumption of fruit likely will increase markedly in 1973 from the reduced levels of last year when supplies of deciduous fruit fell sharply due to unfavorable growing conditions. In 1972 per capita consumption of all fruit declined 2 percent. The 3 percent decline in fresh use was led by a 5 percent drop for noncitrus fruit other than apples. Canned fruit use decreased 7 percent and a huge reduction for raisins caused a one third drop in the dried fruit consumption rate. Large citrus supplies were reflected in per capita consumption advances of 1 percent for canned juice, 3 percent for frozen citrus concentrate, and an 8 percent jump for chilled citrus juice. In total, per capita consumption of processed fruits declined 2 percent.

The record crop of citrus fruit now being harvested assures a continued ample supply throughout 1973. But low carryin of processed deciduous fruits will restrict consumption until summer when new crop supplies become available. Cold storage stocks of fresh apples and pears are down sharply from a year ago.

Supplies of nearly all processed noncitrus fruit items are smaller than last year. Canned deciduous fruit stocks on January 1 were estimated to be down 12 percent, with the more serious shortages indicated for apricots, sweet cherries, figs, and plums and prunes. Stocks of canned apple products, peaches, and pears also were down considerably, but from exceedingly ample levels a year earlier.

Record-large citrus supplies are in prospect despite serious freeze damage to oranges and lemons in California. Increased demand for citrus, in part related to current short supplies of deciduous fruits, probably will forestall much price decline.

Total U.S. orange production during the 1972/73 season is estimated at 221.9 million boxes, 16 percent more than last season's output. Florida expects a 23 percent larger crop, at 168 million boxes. A large share of Florida's oranges are used for frozen concentrated juice and this product continues to set new monthly sales records at a stable price structure. California now expects a 42 million box orange crop, down nearly a fourth from the "pre-freeze" estimate but only 3 percent below last season's output. Most of the California crop usually is used in fresh form, but more may be diverted to processing this year due to freeze damage. Total orange production in Texas and Arizona, about half of which likely will be used fresh, is estimated at nearly 12 million boxes, 11 percent above last season.

Total grapefruit production, estimated at 63.2 million boxes, is down 1 percent from last year's record crop. Demand for fresh fruit continues strong for export markets, but domestic shipments are running below a year ago. Demand by processors is somewhat limited by large product inventories.

Lemon production is forecast at 20.5 million boxes, 23 percent above last season's crop, Most of the increase likely will be diverted to processing.

Vegetables.—While per capita supplies of vegetables may be relatively tight in the first half of 1973, no major change can be foreseen this early in the year in annual consumption rates. Fresh use probably will ease downward slightly in line with historical trends and the increase in processed vegetable use may be pinched a little because of reduced supplies in the first half of the year.

Despite weather problems which disrupted the distribution of fresh items from time to time and which restricted production of crops for processing, per capita consumption of vegetables in 1972 was maintained at year-earlier rates. Fresh use was unchanged while for processed items increased consumption of canned vegetables about balanced the small decline for frozen products. Producers had planted significantly larger acreages for processing but the poor weather held production to a small increase over 1971.

Potential production of 13 crops for fresh market this winter is 4 percent less than the 1½ million tons harvested in 1972. Sharply reduced Florida winter tomato and sweet corn acreages account for a large share of the decline, but more celery and cabbage are expected. Imports will likely expand somewhat to ease the short supply situation for some items.

Combined supply of the important processed vegetables, excluding tomato products, is apparently slightly less than the moderate supply a year ago. Total stocks of canned vegetables on January 1 were estimated to be around 3 percent lower but frozen stocks were up 6 percent—for a net reduction of about 2 percent.

Supplies of fresh potatoes are the lightest in 4 years. Stocks of frozen potato products, while moderately larger than a year ago, are not considered burdensome. Demand for last fall's 6-percent larger crop of sweetpotatoes, for fresh use and for processing, has been brisk.

Grain products.—Supplies of grains will continue far in excess of domestic demand for direct use as food. Flour, breakfast cereals, sirups and other such products consumed in the United States take only a small portion of the total U.S. grain supply. Only a third of wheat and a fourth of rice produced is used for domestic food. While strong foreign demand has resulted in much higher grain prices, the impact on retail prices of bakery and cereal products is small.

Even in December, after grain prices had skyrocketed, only 17 percent of the retail price of cereal and bakery items represented the farm value of grain ingredients, 3 percent was dependent on other farm products, and 80 percent was attributed to processing and distribution costs. The grain ingredient portion had, however, moved up from 12 percent in July, before the steep rise in grain prices had begun.

A small reduction in per capita consumption of cereal products in 1972 was caused by a 9 percent drop for rice. Other items remained at year-earlier rates.

SUGAR AND TROPICAL PRODUCTS SITUATION AND OUTLOOK

SUGAR

Consumption and Deliveries Stable

Per capita refined sugar consumption totalled over 102 pounds in 1972, unchanged for the third consecutive year (table 7). Sugar deliveries totaled 11.35 million short tons last year, also about the same as in 1971 so user's stocks were lower at the end of 1972 than a year earlier.

Based on data through September, sugar deliveries for use in dairy products, bakery and cereal products, and soft drinks increased, although the latter less than usual due to a cool summer. Deliveries to canners, bottlers, and frozen food and similar manufacturers declined.

U.S. Sugar Prices Higher

U.S. raw sugar prices averaged $9.09 per hundredweight in 1972, up 57 cents from the 1971 level (table 8). As a result, wholesale refined sugar prices also increased, and U.S. retail sugar prices averaged 13.9 cents per pound in 1972 (5-pound package), up 2.1 percent from 1971.

World Market Price Above U.S. Price

During January-March 1972, the world free market price of sugar (spot, 96 degrees polarization f.o.b. Caribbean and North Brazilian ports) was higher than the price of sugar destined for the United States under U.S. Sugar Act quotas. From April through November the world price was lower; but in December it averaged $9.08 a hundredweight, $1.11 higher than the price of sugar destined for the United States. For 1972 as a whole, the world sugar price averaged $7.43 a hundredweight, jumping up from $4.52 in 1971, $3.75 in 1970, and $3.37 in 1969 (table 8). During 1965-68, the world price averaged less than $2.00 per hundredweight. The world price may not return to lower levels for some time and may even increase from current levels.

The Foreign Agricultural Service has estimated world sugar production this crop year (May 1972—April 1973) will total 82 million short tons (raw value), up some 5 percent from the level of the 3 previous crop years. While the last 4 world crops have been record large, world consumption has outpaced production, and world stock levels will be further reduced.

1973 Outlook

U.S. per capita sugar consumption likely will remain at last year's level in 1973. U.S. sugar consumption requirements for calendar year 1973 currently continue at the 11.7 million ton level (raw value) determined by the U.S. Department of Agriculture last October 3. Also continuing are the previously declared deficits of 650,000 tons for Puerto Rico and 144,333 tons for the domestic beet area which were reallocated to Western Hemisphere countries and the Philippine Republic.

However, the 11.7 million tons for 1973 is subject to change by government action if the U.S. raw price (New York spot) falls by more than 3 percent (4 percent—March 1-October 31) outside the price objective corridor for 7 consecutive marketing days as determined by the most recent 2-month average of the Parity Index and the Wholesale Price Index. Last year the Department of Agriculture took several actions to adjust the consumption requirements to a level consistent with the price objective.

Honey Prices Higher, Imports Up Sharply

U.S. honey production totaled 215 million pounds in 1972, up 9 percent from 1971. Honey imports of 40 million pounds were up sharply from 11 million pounds in 1971 and even exceeded the previous record of 38 million pounds in 1943. However, imports slowed significantly in the last half of the year from the 25 million pounds imported during the first half.

Because of the generally tight market situation, U.S. honey producers received an average of 31 cents per pound for all types of honey last year, up from 22 cents in 1971, and the highest since 1947. Moreover, because of higher U.S. prices, exports totaled only slightly over 4 million pounds, the lowest level since 1949.

This year's outlook suggests larger domestic honey production with imports likely to remain near last year's level and exports to increase somewhat. Honey prices will likely continue high at least until the size of the 1973 crop becomes more apparent.

Table 7.--U.S. sweeteners: Selected supply and distribution data, for specified years

Item	Unit	1950	1960	1967	1969	1970	1971	1972 1/
Sugar:								
Sources of supply (raw value 2/):								
Beet sugar distribution	1,000 ton	1,749	2,165	2,824	3,216	3,569	3,438	3,515
Cane sugar:								
U.S. Mainland shipments	1,000 ton	522	619	1,169	1,169	1,308	1,255	1,638
Inshipments from Hawaii	1,000 ton	1,145	845	1,253	1,160	1,146	1,087	1,114
Inshipments from Puerto Rico	1,000 ton	1,053	896	705	341	352	143	148
Total U.S. grown cane sugar 3/	1,000 ton	2,730	2,366	3,127	2,670	2,806	2,485	2,900
Total U.S. grown sugar	1,000 ton	4,479	4,531	5,951	5,886	6,375	5,923	6,415
Imported cane sugar:								
Western Hemisphere	1,000 ton	3,337	3,814	2,811	3,219	3,339	3,241	3,418
Philippines	1,000 ton	474	1,155	1,123	1,124	1,298	1,592	1,432
Other countries	1,000 ton	---	26	499	506	540	538	588
Total imported sugar	1,000 ton	3,811	4,995	4,433	4,849	5,177	5,371	5,438
OVERALL TOTAL		8,290	9,526	10,384	10,735	11,552	11,294	11,853
Refined sugar deliveries: 4/								
By type of food use:								
Cereal and bakery products	1,000 ton	636	1,048	1,286	1,344	1,468	1,356	1,422
Confectionery products	1,000 ton	696	804	1,004	1,037	1,106	1,052	1,049
Processed foods 5/	1,000 ton	550	790	843	916	928	1,029	987
Dairy products	1,000 ton	254	366	486	528	547	556	574
Other food uses 6/	1,000 ton	250	297	424	442	426	496	511
Total food use	1,000 ton	2,386	3,305	4,043	4,267	4,475	4,489	4,543
Use in beverages 7/	1,000 ton	752	1,148	1,785	2,100	2,357	2,364	2,399
Total industrial use	1,000 ton	3,138	4,453	5,828	6,367	6,832	6,853	6,942
Wholesalers	1,000 ton	3,038	2,530	2,177	2,061	2,198	2,160	2,098
Retailers	1,000 ton	1,172	1,223	1,188	1,193	1,320	1,329	1,295
Other nonindustrial	1,000 ton	116	153	229	191	188	175	175
Total nonindustrial use	1,000 ton	4,326	3,906	3,594	3,445	3,706	3,664	3,568
OVERALL TOTAL 4/	1,000 ton	7,464	8,359	9,422	9,812	10,538	10,517	10,510
By form of delivery:								
Liquid sugar 8/	1,000 ton	475	1,380	2,190	2,597	2,753	2,716	2,683
Bulk dry granulated	1,000 ton	100	1,146	2,346	2,604	2,952	3,004	3,183
Large packages (50 lb. and over)	1,000 ton	4,014	3,031	2,398	2,226	2,371	2,280	2,220
Total	1,000 ton	4,589	5,557	6,934	7,427	8,076	8,000	8,086
Consumer packages (less than 50 lb.)	1,000 ton	2,876	2,866	2,554	2,457	2,545	2,610	2,517
OVERALL TOTAL 4/	1,000 ton	7,465	8,423	9,488	9,884	10,621	10,610	10,603
By Region of country:								
Northeast 9/	1,000 ton	2,733	2,788	2,893	2,937	3,068	3,078	2,961
South 10/	1,000 ton	1,662	2,056	2,117	2,262	2,340	2,367	2,452
North Central	1,000 ton	2,353	2,636	3,130	3,264	3,558	3,566	3,600
West 11/	1,000 ton	979	1,256	1,532	1,587	1,701	1,642	1,632
OVERALL TOTAL 4/	1,000 ton	7,727	8,736	9,672	10,050	10,667	10,653	10,645
Corn sweetener shipments 12/	1,000 ton	1,024	1,207	1,754	1,798	1,956	1,999	2,134
Noncaloric sweeteners:								
U.S. production	1,000 lb.	2,000	3,300	17,501	16,632	---	(3,000)	(3,000)
Imports:								
Saccharin	1,000 lb.	21	264	684	904	1,398	1,433	1,368
Cyclamate	1,000 lb.	---	118	8	47	3	---	---
Per capita consumption:								
Dextrose	lb.	4.5	3.7	4.6	4.8	4.9	5.2	5.2
Corn Sirup	lb.	9.2	10.1	14.0	15.0	16.0	16.2	16.5
Total corn sweeteners	lb.	13.7	13.8	18.6	19.8	20.9	21.4	21.7
Refined sugar	lb.	100.6	97.6	97.1	99.9	102.5	102.4	102.4
Total caloric sweeteners 13/	lb.	117.8	113.9	117.7	121.9	125.2	125.5	125.9
Saccharin--sugar sweetness equivalent 14/	lb.	2.9	1.9	4.8	5.3	(6.2)	(5.7)	(5.7)
Cyclamate--sugar sweetness equivalent 15/	lb.	---	.3	2.1	1.6	---	---	---
Total noncaloric sweeteners	lb.	2.9	2.2	6.9	6.9	(6.2)	(5.7)	(5.7)

1/ Estimated, based on 9 or 11 months of data for most items. Data in parentheses are forecasts by ERS. 2/ 107 tons of sugar, raw value, is equivalent to 100 tons of refined sugar. 3/ Total includes inshipments from Virgin Islands through 1966. 4/ Total deliveries by type of use and by form of delivery differ from total deliveries by region of country because of differences in coverage. Deliveries by region generally account for over 99 percent of total U.S. deliveries. 5/ Used in canned, bottled, and frozen fruits and vegetables, and jams, jellies, and preserves. 6/ Includes use in blended sirups in consumer containers, in meat curing, in commercially prepared foods not specified. 7/ Largely soft drinks. 8/ Sugar solids basis. 9/ Includes New England, New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, West Virginia and District of Columbia. 10/ Excludes Delaware, Maryland, Virginia, West Virginia and District of Columbia. 11/ Includes Alaska and Hawaii beginning in 1960. 12/ Dry basis. 13/ Total includes other caloric sweeteners in addition to sugar and corn sweeteners. 14/ Assumes saccharin is 300 times as sweet as sugar. 15/ Assumes cyclamate use is 30 times as sweet as sugar; cyclamate use in food banned beginning 1970.

Sources: Sugar and corn sweetener data from Sugar Reports, published monthly by ASCS, U.S. Dept. of Agriculture. Noncaloric sweetener production data and cyclamate import data from Chemical Division, U.S. Tariff Commission. Saccharin import data from Bureau of the Census. Per capita consumption of corn sweeteners, sugar, and caloric sweeteners from Economic Research Service, U.S. Dept. of Agriculture. Per capita saccharin and cyclamate consumption estimated on basis of trade information.

Table 8.--U.S. sweeteners and beverages: Selected prices, 1967 and 1970-72

Item	Unit or base period	Cents per unit (or index number)						
					1972			
		1967	1970	1971	Year	I	II	III	IV
Sweeteners									
Sugar:									
Raw--New York, duty paid	Lb.	7.28	8.07	8.52	9.09	9.09	8.81	9.30	9.18
World--f.o.b. Caribbean	Lb.	1.99	3.75	4.53	7.43	8.53	6.96	6.30	7.92
Quota premium 1/	Lb.	+4.33	+3.19	+2.87	+.56	-.51	+.76	+1.88	+.08
Wholesale, refined sugar:									
Northeast cane sugar 2/	Lb.	10.62	11.97	12.48	13.09	12.94	13.20	13.20	13.01
Chicago-West, cane or beet 2/	Lb.	9.70	11.08	11.59	11.82	11.83	11.90	11.90	11.65
Pacific Coast--cane and beet 2/	Lb.	10.11	10.79	11.37	11.65	11.40	11.70	11.70	11.79
Bulk dry beet sugar--f.o.b. plant 3/	Lb.	9.10	9.89	10.28	10.59	10.29	10.62	10.65	10.82
U.S. average	Lb.	9.92	10.74	11.12	12.00	11.66	12.03	12.07	12.26
U.S. average, retail--5-lb. package	Lb.	12.10	12.97	13.61	13.90	13.82	13.92	13.86	14.02
Corn sirup--wholesale, dry basis									
Chicago	Lb.	6.40	10.15	6.43	4.52	4.65	4.46	4.57	4.38
U.S. average	Lb.	6.81	7.11	6.86	7.00	7.20	6.91	7.08	6.78
Dextrose--wholesale, dry basis									
New York	Lb.	9.10	10.20	10.71	10.07	10.22	10.04	10.02	10.00
Chicago	Lb.	8.34	9.53	9.97	10.00	10.00	10.00	10.00	10.00
Saccharin--wholesale (except calcium salt)	Lb.	130.0	145.0	154.0	148.0	154.0	154.0	151.0	134.0
Cocoa and Chocolate									
Wholesale:									
Cocoa beans--New York "Accra"	Lb.	29.0	34.2	26.8	32.3	26.9	30.0	34.5	37.7
Unsweetened chocolate	Lb.	28.2	39.0	33.8	30.8	27.5	28.0	32.9	34.8
Unsweetened cocoa powder	Lb.	9.9	17.4	17.6	16.7	17.1	15.7	17.0	16.9
Cocoa butter--New York	Lb.	66.0	69.5	54.2	72.2	60.9	65.8	76.8	85.4
Chocolate covered candy bars	1967=100	100.0	119.8	117.3	116.7	115.0	117.3	117.3	117.3
Solid chocolate candy bars	1967=100	100.0	134.0	138.7	141.4	141.0	141.2	141.2	142.3
Retail: U.S. average									
Chocolate bars (1-oz. bar)	Oz.	5.0	6.54	6.70	6.7	6.7	6.7	6.7	6.7
Beverages									
Coffee:									
Wholesale, green--New York									
Colombian--Manizales	Lb.	42.5	57.2	50.2	57.1	51.5	53.0	62.2	61.5
Mexican Washed	Lb.	39.9	52.0	46.3	50.5	46.5	47.3	55.2	53.0
Brazilian--Santos No. 4	Lb.	38.4	55.7	46.1	52.5	44.9	47.6	60.8	56.7
Robusta--Ambriz No. BB	Lb.	---	42.0	43.0	42.7	42.5	43.3	46.2	46.8
Retail: U.S. average									
Roasted--can	Lb.	76.9	91.1	93.4	92.7	92.1	91.8	92.4	94.7
Roasted--bag	Lb.	64.7	77.4	78.8	74.5	73.1	72.8	73.7	78.5
Instant soluble--6-oz. jar	Jar	87.9	104.7	109.3	109.3	110.2	109.9	108.2	108.9
Cup of coffee--6-oz. cup	Cup	10.68	12.98	13.63	15.57	14.98	15.38	15.76	16.15
Tea:									
Wholesale, black tea--New York	Lb.	4.65	45.8	47.2	50.7	51.4	53.0	49.9	48.4
Retail, U.S. average of 48 tea bags	Pkg.	60.8	63.1	64.5	64.9	64.0	65.0	65.2	65.5
Soft drinks, U.S. average									
Wholesale, cola drinks	1967=100	100.0	121.1	123.7	126.3	124.2	126.7	126.9	127.3
Retail:									
Cola drinks (6 12-oz. bottles)	Carton	60.8	72.6	75.8	83.3	82.8	83.0	83.3	84.1
Carbonated fruit drink (6 12-oz. bottles)	Carton	57.0	69.1	72.6	73.2	72.6	72.8	73.3	74.0
Alcoholic beverages, U.S. average:									
Wholesale:	1967=100	100.0	105.4	109.4	110.6	110.3	110.5	110.7	111.0
Malt beverages (beer)	1967=100	100.0	106.1	110.2	110.8	110.7	110.8	110.9	110.9
Wines	1967=100	100.0	107.3	117.2	125.3	123.4	125.3	126.2	126.2
Distilled spirits (whiskey)	1967=100	100.0	103.2	104.6	104.3	104.0	104.0	104.0	105.1
Retail:	1967=100	100.0	112.3	116.8	119.6	118.7	119.3	119.9	120.4
Beer	1967=100	100.0	108.9	112.9	113.9	113.7	113.8	113.8	114.2
Wine	1967=100	100.0	116.7	122.2	127.0	125.6	126.5	127.6	128.3
Whiskey	1967=100	100.0	105.0	106.4	108.6	108.1	108.6	108.9	108.9

1/ Difference between New York and world prices, adjusted to exclude duty (.625 cents per pound), computed freight from Greater Caribbean ports (including Brazil), insurance, and unloading charges. 2/ Basis price, 100-lb. paper bags, carload lots. 3/ Carload lots.

Sources: Wholesale sugar prices for raw sugar, and wholesale refined prices for Northeast, Chicago-West, and Pacific Coast from Sugar Reports, published monthly by ASCS, U.S. Dept. of Agriculture, U.S. average wholesale price for refined sugar and corn sirup from Bureau of Defense and Business Services, U.S. Dept. of Commerce. Saccharin, cocoa bean and cocoa butter prices from Journal of Commerce. Price per cup of coffee from Pan American Coffee Bureau. Unsweetened chocolate and unsweetened cocoa powder, prices are derived unit values of imported items, f.o.b., country of origin. All other prices including U.S. average retail and wholesale bulk, dry beet, f.o.b. plant, refined sugar prices and price indexes from Bureau of Labor Statistics.

Coffee

Consumption up

Per capita coffee consumption in 1972 increased for the first time in 5 years. Based on preliminary data, consumption totaled 13.9 pounds (green bean equivalent), up from 13.2 pounds in 1971 (table 9). Regular coffee totaled 11.2 pounds, up half a pound from 1971, while instant coffee totaled 2.7 pounds, 0.2 pound more than in the previous year.

Domestic coffee roastings totaled 2.66 billion pounds last year, up 2.6 percent from 1971 (table 9). The biggest increase was for regular roastings, which rose 2.8 percent, while instant roastings increased only 1.6 percent. The large volume of instant coffee imports last year limited the increase in domestic roastings of instant.

"Geneva Group" Continues Export Restraints

In 1972 major coffee producers became increasingly dissatisfied with prices set by the International Coffee Council after the U.S. currency realignment in December 1971. These producers demanded an overall increase of 4 cents per pound in coffee prices to compensate for purchasing power lost in third markets by U.S. devaluation. When importing countries, particularly the United States and Canada, disagreed, the major producing countries met in Geneva, Switzerland, in April 1972, and took unilateral action to raise coffee prices by limiting exports to 48.4 million bags for the October 1971/September 1972 marketing year and not to increase quotas if prices rose. Later, however, this restriction was reportedly liberalized.

Though originally composed of the 4 major coffee producers—Brazil, Colombia, Ivory Coast and Angola—the "Geneva Group" now has 22 members and controls about nine-tenths of world production. The impact of the Geneva Group on coffee prices is difficult to ascertain since coffee prices rose in the last half of 1972 in anticipation of the smaller crop available for harvesting in Brazil beginning this May.

Last December, consuming countries further reacted to the existence of the Geneva Group and its policy of limiting exports. The result—in 1973 there will be no quota limitations for either producing or consuming countries under auspices of the International Coffee Organization. And the present International Coffee Agreement will expire September 30 this year.

1972/73 Crop—Little Change

The third estimate (December) of the 1972/73 world coffee crop (May/April) is at 71.5 million bags (132.3 pounds each) by the Foreign Agricultural Service. This crop approximates the 1971/72 crop, which was a fifth larger than the short 1970/71 crop. However exportable production (total harvested production less estimated consumption in producing countries) may total about 52.1 million bags this crop year, down about a million bags from 1971/72, largely reflecting higher consumption in producing countries. World import demand during 1972/73 is estimated at 53 to 54 million bags, slightly more than exportable production. If these forecasts are realized a continuing tight market situation will mean a further slight drawdown in world stocks. This would be the seventh consecutive year in which world production has fallen short of consumption.

U.S. Imports—Mixed

U.S. green coffee imports totaled 2.75 billion pounds in 1972 down nearly 4 percent from the previous year (table 9). Imports of roasted coffee in 1972 totaled 36 million pounds (green bean basis) up from 25 million pounds the preceding year, and continuing an uptrend begun in 1970. Imports of instant coffee totaled a record 141 million pounds (green bean basis) last year up from 97 million pounds in 1970 and 1971.

Coffee Prices Up

The coffee market continues to react to the July 8 frost in the state of Parana, Brazil last year. Prospects of a smaller 1973/74 crop strengthened wholesale green coffee prices in the last half of 1972 (table 8, figure 11). Retail coffee prices have not yet fully reflected the wholesale increases. Except for regular coffee sold in bags which increased about a nickel a pound in the fourth quarter over the third quarter, retail prices increased only slightly. It appears that further increases in coffee prices are expected for the first half of 1973, particularly for regular.

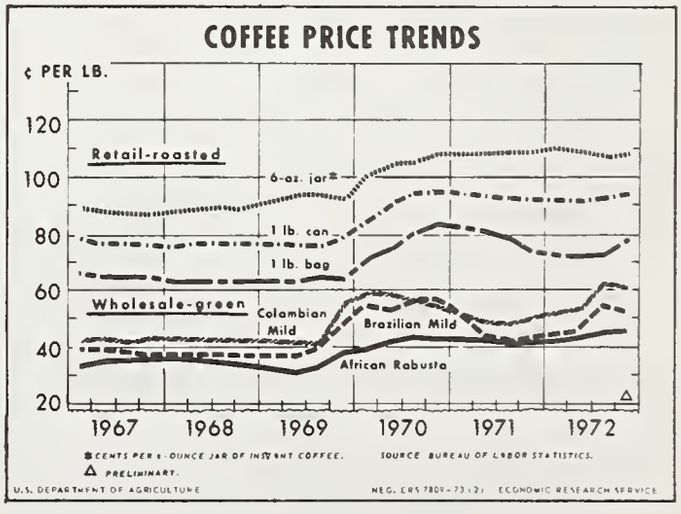

Figure 11

Table 9.--U.S. beverages and cocoa: Selected supply and distribution data for specified years

Item	Unit	1950	1960	1967	1969	1970	1971	1972
Beverages								
Coffee:								
Green bean imports:								
Colombia milds	Mil. lb.	537	561	437	377	390	396	410
Other milds	Mil. lb.	529	619	677	659	697	736	699
Unwashed Arabica	Mil. lb.	1,278	1,304	951	894	771	943	954
Total Arabica	Mil. lb.	2,344	2,484	2,065	1,930	1,858	2,075	2,063
Robusta	Mil. lb.	93	435	754	746	751	791	683
Total imports	Mil. lb.	2,437	2,919	2,819	2,676	2,609	2,866	2,746
U.S. Roastings (green bean basis):								
Regular roasted	Mil. lb.	---	2,367	2,393	2,295	2,206	2,154	2,214
Instant soluble	Mil. lb.	---	529	423	463	434	440	447
Total Roasted	Mil. lb.	2,436	2,896	2,816	2,758	2,640	2,594	2,661
Per capita consumption (green bean basis):								
Regular roasted	Lb.	---	12.9	12.3	11.8	11.3	10.7	11.2
Instant soluble	Lb.	---	2.9	2.5	2.4	2.5	2.5	2.7
Total per capita	Lb.	16.1	15.8	14.8	14.2	13.8	13.2	13.9
Tea (leaf basis):								
Annual imports	Mil. lb.	115	114	143	140	137	175	151
Per capita consumption	Lb.	.61	.59	.69	.73	.72	.77	.78
Soft drinks:								
Per capita consumption:								
Sugar sweetened	Gal.	10.1	11.9	15.8	18.4	20.9	21.2	21.9
Low calorie	Gal.	---	.1	2.8	3.1	1.8	2.6	3.1
Total per capita	Gal.	10.1	12.0	18.6	21.5	22.7	23.8	25.0
Alcoholic beverages:								
Per capita consumption,								
Age 21 years and over:								
Malt beverages	Gal.	---	25.1	28.4	29.7	30.8	31.4	32.1
Wines	Gal.	---	1.46	1.69	1.85	2.09	2.37	2.60
Distilled spirits	Gal.	---	2.17	2.79	3.01	3.05	3.07	3.12
Total alcoholic beverages	Gal.	---	28.7	32.9	34.6	35.9	36.8	37.8
Cocoa and chocolate:								
U.S. imports:								
Cocoa beans	Mil. lb.	659	551	633	489	625	707	632
Unsweetened chocolate (bean basis)	Mil. lb.	16	27	11	10	9	8	12
Cocoa butter (bean basis)	Mil. lb.	9	19	31	19	45	46	62
Cocoa powder (bean basis)	Mil. lb.	31	109	124	146	144	129	190
Total semi-processed (bean basis)	Mil. lb.	56	157	171	181	207	190	270
Consumer products (bean basis)	Mil. lb.	2	8	18	22	23	21	22
Total imports (bean basis)	Mil. lb.	717	716	822	692	855	211	292
U.S. cocoa bean grind (bean basis)	Mil. lb.	515	483	648	592	585	615	637
Total confectionery shipments	Mil. lb.	2,784	3,004	3,769	3,968	3,933	3,975	4,015
Per capita consumption:								
Cocoa and chocolate (bean basis)	Lb.	3.5	2.9	4.2	3.9	3.9	4.0	4.4
Total confectionery-products	Lb.	18.4	16.9	19.6	20.2	19.9	19.8	19.7

Sources: All imports plus coffee roastings from Bureau of Census. Soft drink consumption data adapted from data published by National Soft Drink Association; sugar-sweetened and low-calorie components estimated on basis of trade information. Alcoholic beverage data published by U.S. Brewers Association. Cocoa bean grind, confectionery manufacturer's shipments and per capita consumption of confectionery products from Business and Defense Services Administration, U.S. Dept. of Commerce. Per capita consumption of coffee, tea, and cocoa and chocolate (bean basis) from Economic Research Service, U.S. Dept. of Agriculture.

Note: Data for 1972 are preliminary estimates.

Tea

Based on preliminary data, per capita tea consumption totaled 0.79 pound (dry leaf basis) in 1972, up from 0.78 pound in 1971 (table 9). This continues the uptrend in tea consumption which began in the 1960's. Tea imports totaled 152 million pounds in 1972 down sharply from the record 175 million pounds in 1971. Despite the decline in imports, tea demand continues brisk, and stock levels are being reduced to compensate for the decline in imports.

Wholesale tea prices (India - Ceylon composite—New York spot) averaged 51 cents per pound last year, 2 cents a pound higher than in 1971, though third and fourth quarter prices declined several cents from the second quarter high of 53 cents per pound (table 8). Retail tea prices averaged 65 cents in 1972 for a package of 48 tea bags, about the same as in 1971.

Cocoa And Chocolate

Consumption Up in 1972

Per capita cocoa consumption totaled 4.4 pounds last year, up sharply from 4.0 pounds in 1971 (table 9, figure 12). Both increased domestic grindings and imports of semiprocessed cocoa and chocolate products contributed to the increase in consumption. Grindings totaled 637 million pounds last year, near the 650 million pound level in 1966 and 1967 when cocoa bean prices were relatively low.

Imports Mixed—Beans Down, Products Up

Cocoa bean imports totaled only 632 million pounds last year, down 11 percent from the year before (table 9). Higher cocoa bean prices and larger imports of semiprocessed products were responsible for lower cocoa bean imports. Imports of semiprocessed cocoa and chocolate products totaled 270 million pounds (bean equivalent) in 1972, up over 40 percent from the preceding year. Imports of cocoa butter, unsweetened cocoa powder, and unsweetened chocolate, which make up the bulk of semiprocessed imports, all increased substantially.

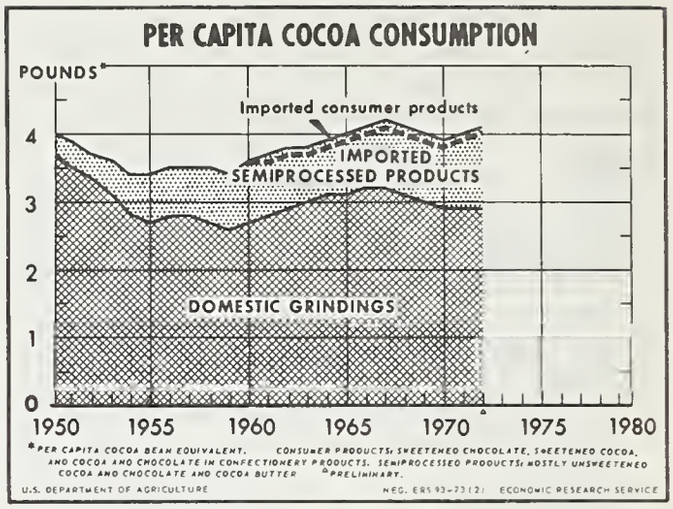

Figure 12

Cocoa Prices Relatively High

Cocoa bean prices averaged 38 cents per pound (New York spot) in fourth quarter 1972, up from 34 cents in the third quarter and from 24 cents per pound in the fourth quarter of 1971. Cocoa butter prices averaged 85 cents per pound in fourth quarter 1972, up from 77 cents in the third quarter and from 51 cents per pound in the last quarter of 1971.

SUPPLY AND UTILIZATION

Utilization Up Slightly in 1972

Total net utilization of farm food commodities increased slightly over 3 percent in calendar year 1972, compared with a 2 percent increase the preceding year (table 10, figure 13).[1] Virtually all of the gain in 1972 came from an 8 percent advance in utilization of crop food commodities, coming mostly from a near one-fourth gain in exports. Utilization of livestock food products remained about the same.

Export volume of farm food commodities increased a fifth. All of the gain came from the one-fourth jump in crop food commodities, which accounted for nearly 90 percent of the total in 1972. Most of the increase in

[1]Net utilization excludes domestic use of seed and animal feed to avoid duplication in total use.

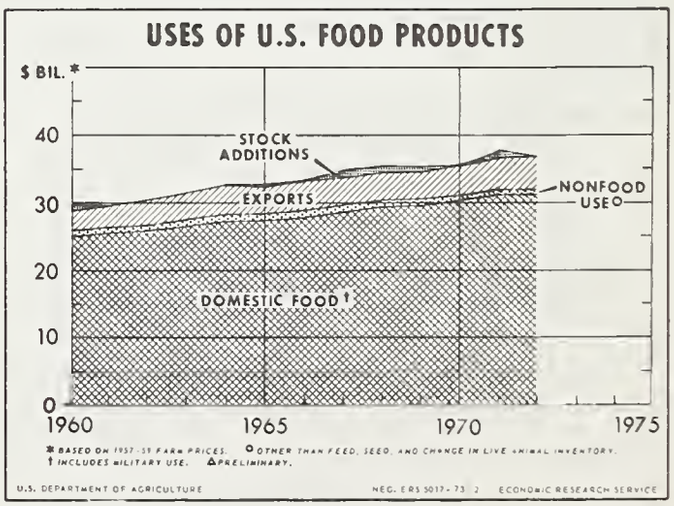

Figure 13

Table 10.--Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1967-72 1/

Year	Supply: Production	Supply: Imports 2/	Supply: Stocks 3/	Total annual utilization	Utilization: Domestic use: Food: Civilian	Utilization: Domestic use: Food: Military	Utilization: Domestic use: Non-food: Seed and feed	Utilization: Domestic use: Non-food: Other	Utilization: Domestic use: Total	Utilization: Exports and shipments 4/
	A.--All food commodities indexes: (1967=100) 5/									
1967	100.0	100.0	100.0	100.0	100.0	100.0	---	100.0	100.0	100.0
1968	100.3	111.7	109.1	102.1	102.5	97.9	---	101.6	102.3	100.5
1969	100.7	101.2	116.5	102.6	104.3	83.4	---	101.9	103.8	93.3
1970	98.4	105.1	120.7	105.7	105.7	70.3	---	91.6	104.5	114.1
1971	108.0	110.8	111.8	107.7	108.7	62.9	---	89.0	107.1	111.6
1972 6/	104.7	114.8	123.4	111.1	109.7	53.2	---	90.9	107.9	134.0
	Livestock food commodities (1967=100)									
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	100.6	109.3	128.8	102.1	102.2	99.6	96.7	103.1	102.0	106.2
1969	100.9	114.2	112.0	102.6	103.1	85.1	100.0	102.3	102.6	104.2
1970	103.6	125.0	96.8	104.8	105.8	71.6	102.0	96.1	104.7	109.1
1971	106.3	116.9	106.9	107.6	108.7	61.8	100.5	89.9	107.1	128.6
1972 6/	105.8	137.8	102.4	107.8	109.3	50.9	104.5	85.1	107.4	121.9
	Crop food commodities(1967=100)									
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	101.6	112.1	107.9	102.9	103.0	90.8	105.0	100.8	103.6	99.7
1969	103.8	98.3	116.7	105.3	107.2	76.9	110.2	101.7	107.9	91.7
1970	98.1	100.6	121.8	109.3	105.7	65.4	114.1	89.3	108.1	114.8
1971	113.3	109.3	112.1	110.8	108.8	67.2	117.4	88.5	111.1	109.2
1972 6/	111.1	109.1	124.4	119.5	110.8	61.8	125.9	93.6	115.8	135.7
	B.--All food commodities: Percentage of annual utilization 5/									
1967	93.0	10.3	-3.3	100.0	83.4	1.9	---	2.8	88.1	11.9
1968	91.3	11.3	-2.6	100.0	83.7	1.8	---	2.7	88.2	11.8
1969	91.3	10.2	-1.5	100.0	84.8	1.5	---	2.8	89.1	10.9
1970	86.6	10.3	3.1	100.0	83.5	1.2	---	2.4	87.1	12.9
1971	93.3	10.6	-3.9	100.0	84.2	1.1	---	2.3	87.6	12.4
1972 6/	87.6	10.7	1.7	100.0	82.4	.9	---	2.3	85.6	14.4
	Livestock food commodities: Percentage of annual utilization									
1967	97.5	3.3	-.8	100.0	91.9	2.3	2.1	1.4	97.7	2.3
1968	96.0	3.5	.5	100.0	91.9	2.3	2.0	1.4	97.6	2.4
1969	95.9	3.7	.4	100.0	92.2	1.9	2.1	1.4	97.6	2.4
1970	96.3	3.9	-.2	100.0	92.7	1.6	2.0	1.3	97.6	2.4
1971	96.3	3.6	.1	100.0	92.8	1.3	1.9	1.2	97.2	2.8
1972 6/	95.7	4.2	.1	100.0	93.2	1.1	2.0	1.1	97.4	2.6
	Crop food commodities: Percentage of annual utilization									
1967	90.4	14.6	-5.0	100.0	44.6	.7	33.1	3.3	81.7	18.3
1968	89.2	15.9	-5.1	100.0	44.6	.6	33.8	3.2	82.2	17.8
1969	89.4	13.6	-3.3	100.0	45.6	.5	34.7	3.2	84.0	16.0
1970	84.1	13.4	5.5	100.0	43.1	.4	34.5	2.7	80.7	19.3
1971	92.4	14.4	-6.8	100.0	43.8	.4	35.0	2.7	81.9	18.1
1972 6/	84.1	13.3	2.6	100.0	41.3	.4	34.9	2.6	79.2	20.8

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis. Includes essentially all commodities having any U.S. food use. For list of food commodities, see NFS 124 (May 1968) page 15; for comparable data for 1950-64, see NFS 136, (May 1971) pp. 20-22. 2/ Includes shipments from U.S. Territories. 3/ Farm (other than live animals), commercial, and Government program holdings. Section A: January 1; derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes. Negatives indicate stock increases; positives signify withdrawals. 4/ Includes shipments to U.S. Territories. 5/ Feed and seed omitted from total commodities to avoid double counting of use through livestock. 6/ Preliminary.

food crop exports came from wheat, rice, corn, soybeans and grain sorghum. Wheat was up nearly 40 percent, rice up over a fifth, corn exports jumped nearly 75 percent, and sorghum grain increased about a third. Exports of livestock food commodities declined over 5 percent last year led by declines in beef, chicken and dairy product exports.

At the beginning of 1972 stock levels of farm food commodities were at record levels, reflecting the bountiful harvest of 1971 (figure 14). Thus the ample stocks were able to partly cushion the effects of the record disappearance in 1972. A sharp increase in food commodity imports, particularly livestock products, also helped keep the food pipelines adequately filled.

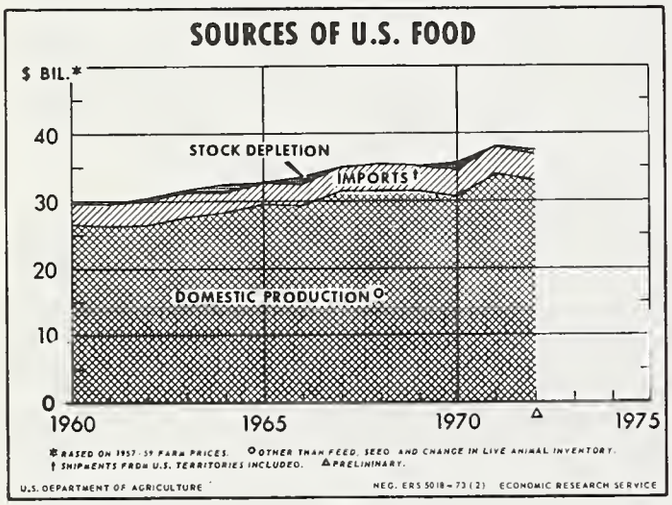

Figure 14

Most of the decline in 1972 production of crop food commodities came from 5 percent smaller wheat production, 3 percent less corn, and 6 percent less sorghum. Only partly offsetting were increased production of several crops in 1972—soybeans, up nearly 9 percent; peanuts, up 9 percent; over a fifth more sugarcane, and a 5 percent larger sugarbeet crop than in 1971 (table 11).

Most of the decline in livestock food production last year came from a 9-percent decline in pork production (table 11). Beef production was up nearly 2 percent; chicken, nearly 5 percent; turkey nearly 7 percent; and milk production was 1 percent larger. Cheese production which accounts for about a fifth of total milk use increased nearly 10 percent. Production of ice cream and other frozen dariy products which account for nearly a tenth of total milk use increased 2 percent.

Outlook for 1973—Utilization Up

Utilization of food commodities is expected to increase in 1973, but less than the 3-percent gain in 1972. Civilian food use is expected to increase again this year, probably in line with the near 1-percent gain last year.

Total production of farm food products (net of feed and seed use) probably will be larger this year and yearend 1973 stock levels will be up. January planting intentions indicate a major increase for feed and food grains and oilseeds. Exports are expected to increase sharply again this year, but the gain will likely be less than the 20 percent rise in 1972.

Farmers' planting intentions for 1973

Crop	Acreage change from 1972 plantings
	Percent
Winter wheat	+1
Durum wheat	+9
Other spring wheat	+17
Corn	+7
Oats	+1
Barley	-1
Sorghum	+10
Soybeans	+5

Source: *Crop Production, Prospective Plantings 1973*, released by SRS January 19, based on January 1 intentions. *Crop Production, Winter Wheat Report*, December 1972, based on acreage seeded on December 1.

Table 11.--Production of major food commodities, 1967 and 1969-72 1/

Commodity	Unit	1967	1969	1970	1971	1972	
						Total 2/	Change from 1971
							Percent
Meats (carcass weight) - Total	Mil. lb.	34,238	35,334	36,260	37,799	37,045	-2.0
Beef	Mil. lb.	20,219	21,158	21,685	21,904	22,395	2.2
Veal	Mil. lb.	792	673	588	546	456	-16.5
Lamb and mutton	Mil. lb.	646	550	551	554	542	-2.2
Pork (excluding lard)	Mil. lb.	12,581	12,953	13,436	14,795	13,652	-7.7
Poultry and eggs 3/							
Eggs	Mil. doz.	5,836	5,757	5,853	5,978	5,902	-1.3
Chicken (ready-to-cook)	Mil. lb.	7,527	8,054	8,660	8,720	9,130	4.7
Turkey (ready-to-cook)	Mil. lb.	1,883	1,614	1,757	1,809	1,935	7.0
Dairy products							
Total milk	Bil. lb.	118.8	116.3	117.1	118.6	120.4	1.5
Cheese 4/	Mil. lb.	1,919	1,990	2,201	2,373	2,603	9.7
Condensed and evaporated milk	Mil. lb.	1,886	1,776	1,514	1,497	1,400	-6.5
Ice cream (product weight)	Mil. lb.	3,578	3,674	3,656	3,684	3,770	2.3
Fats and oils - Total fat content 5/	Mil. lb.	14,546	15,817	18,304	18,393	17,972	-2.3
Butter (actual weight)	Mil. lb.	1,238	1,126	1,143	1,147	1,110	-3.2
Lard 6/	Mil. lb.	2,076	1,904	1,913	1,960	1,585	-19.1
Margarine (actual weight)	Mil. lb.	2,114	2,182	2,230	2,290	2,350	2.6
Shortening	Mil. lb.	3,226	3,481	3,588	3,515	3,565	1.4
Other edible fats and oils 7/	Mil. lb.	11,473	13,007	15,471	15,505	15,500	11/
Fruits							
Fresh:							
Citrus	Mil. lb.	7,454	6,718	6,880	6,986	7,008	.3
Apples (commercial)	Mil. lb.	3,168	3,744	3,567	3,495	3,550	1.6
Other (excluding melons)	Mil. lb.	3,052	3,882	3,488	3,631	3,211	-11.6
Processed:							
Canned fruit	Mil. lb.	4,354	5,300	4,486	4,310	3,929	-8.8
Canned fruit juices	Mil. lb.	2,781	3,001	2,964	3,034	3,000	-1.1
Frozen (including juice)	Mil. lb.	2,136	1,961	2,074	2,082	2,169	4.2
Dried	Mil. lb.	687	786	794	630	438	-30.5
Vegetables 8/							
Fresh 9/	Mil. lb.	21,784	21,808	21,991	22,098	22,324	1.0
Canned *	Mil. lb.	10,703	9,584	9,799	10,334	10,277	-.6
Frozen	Mil. lb.	1,993	1,828	1,869	1,952	2,110	8.1
Potatoes and sweetpotatoes							
Potatoes *	Mil. cwt.	306	312	326	319	294	-7.8
Frozen potato products	Mil. lb.	1,491	2,048	2,404	2,565	2,700	5.3
Sweetpotatoes *	Mil. cwt.	13.5	14.4	13.4	11.7	12.4	6.0
Grains							
Wheat *	Mil. bu.	1,508	1,443	1,352	1,618	1,545	-4.5
Rice, rough *	Mil. cwt.	85.1	104.1	91.9	83.8	85.8	2.4
Corn, grain only *	Mil. bu.	4,860	4,687	4,152	5,641	5,474	-3.0
Other							
Dry edible beans 10/	Mil. lb.	1,518	1,889	1,740	1,592	1,802	13.2
Melons 9/	Mil. lb.	4,334	4,508	4,587	4,508	4,376	-2.9
Sugar raw basis	1,000 tons	5,294	5,482	5,874	5,819	5,975	2.7
Peanuts, farmers' stock *	Mil. lb.	2,477	2,535	2,979	3,005	3,289	9.5

1/ Calendar year basis except: Fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated. 50-State basis beginning 1960. 2/ Preliminary. 3/ Includes an allowance for nonfarm production. 4/ Excludes full skim, cottage, pot, and baker's cheese. 5/ Includes butter, lard and "other edible fats and oils." 6/ Includes amount used in manufactured food and nonfood products. 7/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils; also oleo stock, oleostearine, and edible tallow which are processed into margarine, shortening, cooking and salad oils, and nonfood items. 8/ Excludes potatoes and sweetpotatoes. 9/ Commercial production for distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use. 10/ Cleaned basis. 11/ Less than 0.5 percent.

* Data have been revised, based on information from the 1969 Census of Agriculture.

Table 12--Wholesale food price indexes and Wholesale Price Index, selected periods 1/
(1967=100)

Year and month	Farm products			Processed foods and feeds													Industrial commodities	All commodities
	Eggs	Fresh and dried fruits and vegetables 2/	Total 3/	Meats: Beef and veal	Meats: Pork	Meats: Total	Poultry	Fish	Dairy	Processed fruits and vegetables 2/	Vegetable oil and products	Cereal and bakery products	Sugar and confectionery	Beverages 4/	Total 5/	All food 6/		
1960	122.4	99.0	97.2	95.1	86.6	91.8	116.2	81.4	86.1	92.8	88.7	88.1	90.1	92.8	89.5	92.1	95.3	94.9
1966	128.0	100.9	105.9	98.4	111.8	104.3	113.1	101.5	97.2	97.8	102.5	98.5	97.8	99.3	101.2	101.9	98.5	99.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	111.4	106.6	102.5	104.2	98.5	102.2	105.8	108.1	104.8	106.5	98.1	100.9	102.8	102.8	102.2	103.4	102.5	102.5
1969	133.9	109.3	108.8	112.9	110.8	113.3	113.6	118.6	108.2	107.9	101.5	102.6	109.4	106.0	107.3	109.6	106.0	106.5
1970	126.8	111.6	111.0	114.5	111.7	115.0	113.3	125.1	111.2	110.4	111.8	107.6	115.9	112.9	112.0	113.5	110.0	110.4
1971	100.8	120.1	112.9	124.1	99.5	114.1	112.4	137.0	115.4	114.3	121.1	111.4	119.2	115.8	114.3	115.5	114.0	113.9
January	113.3	115.7	108.9	113.3	92.6	105.9	110.1	130.0	112.8	111.2	119.4	111.0	118.6	115.0	111.8	112.4	112.2	111.8
February	97.6	118.3	113.9	122.2	102.4	113.6	112.7	132.6	112.3	111.5	119.4	111.1	118.3	115.2	113.3	114.2	112.5	112.8
March	101.2	125.3	113.0	122.1	92.4	110.9	111.8	130.9	113.0	111.9	119.4	111.5	119.2	115.3	113.7	115.0	112.8	113.0
April	104.4	120.8	113.0	124.4	91.0	111.5	110.7	132.3	115.5	113.0	119.4	111.5	118.6	115.6	113.5	114.7	113.3	113.3
May	92.4	127.5	114.0	128.0	96.3	115.1	112.0	132.4	116.2	114.0	118.5	111.5	119.2	115.7	114.5	116.0	113.7	113.8
June	98.0	136.1	116.0	124.4	97.7	114.1	118.7	137.1	116.1	115.4	118.5	111.5	119.0	115.7	114.9	117.0	113.9	114.3
July	89.4	109.3	113.4	122.9	106.1	116.0	129.7	138.9	116.2	115.9	122.8	111.5	119.4	115.9	116.0	115.8	114.5	114.6
August	110.1	115.9	113.2	124.5	102.6	115.5	113.7	141.7	115.4	116.2	124.6	111.4	120.5	116.1	115.4	116.6	115.1	114.9
September	107.8	103.6	110.5	125.9	101.1	115.5	114.7	138.4	115.4	115.7	123.3	111.3	119.8	116.0	114.6	115.1	115.0	114.5
October	92.4	115.8	110.3	123.4	105.4	115.7	107.2	138.4	116.4	115.3	122.8	111.3	118.7	116.4	114.1	115.3	115.0	114.4
November	88.5	127.1	112.2	126.1	101.1	115.6	106.0	142.2	116.3	115.4	122.8	111.5	119.1	116.6	114.4	116.3	114.9	114.5
December	114.4	126.3	115.8	131.4	105.4	119.6	101.8	149.2	117.4	115.8	122.0	111.6	120.2	116.4	115.9	118.1	115.3	115.4
1972	103.7	127.6	125.0	133.4	122.1	128.5	115.8	159.5	118.6	119.7	121.2	114.7	121.6	118.0	120.8	121.8	117.9	119.1
January	92.6	124.9	117.8	134.2	114.5	124.2	108.3	156.3	117.3	116.0	121.7	112.2	120.1	116.4	117.2	118.9	115.9	116.3
February	91.9	127.5	120.7	137.1	121.4	129.5	116.2	156.2	117.5	116.1	121.1	112.4	121.1	116.8	118.8	120.8	116.5	117.3
March	107.7	112.8	119.7	134.0	111.5	124.8	117.5	160.1	118.0	116.7	120.8	112.6	121.9	116.7	118.6	119.3	116.9	117.4
April	87.2	117.6	119.1	128.9	109.1	121.3	106.5	163.8	117.5	118.3	120.7	112.8	121.1	117.2	117.7	118.0	117.3	117.5
May	90.6	120.6	122.2	133.1	115.7	125.9	109.3	155.1	117.4	119.0	120.7	113.3	120.8	117.2	118.6	119.4	117.6	118.2
June	91.9	121.7	124.0	139.6	121.4	131.1	115.1	153.1	115.3	119.5	121.5	113.3	121.3	117.8	119.6	120.7	117.9	118.8
July	102.2	129.9	128.0	139.9	129.3	134.4	127.4	157.3	117.7	119.6	121.4	113.6	122.2	117.9	121.5	123.4	118.1	119.7
August	99.3	138.9	128.2	133.4	128.1	131.4	118.1	156.2	118.6	120.2	121.5	115.3	121.3	118.9	121.0	123.3	118.5	119.9
September	114.9	138.1	128.6	130.0	127.5	129.7	122.1	159.9	119.0	120.1	121.5	116.1	121.6	119.1	121.8	123.9	118.7	120.2
October	99.1	122.8	125.5	128.3	127.8	128.7	117.1	161.2	120.0	121.8	123.2	116.9	123.5	118.8	121.8	122.3	118.8	120.0
November	123.1	141.8	128.8	124.6	122.5	124.7	116.2	169.2	121.8	123.8	121.6	118.3	121.7	119.4	123.1	124.2	119.1	120.7
December	143.9	134.6	137.5	138.0	136.1	135.7	115.7	165.7	123.0	124.7	119.2	120.1	122.1	119.7	129.4	127.3	119.4	122.9
	Seasonally adjusted																	
1971																		
January	102.1	113.1	109.4	---	---	---	---	---	113.1	111.4	119.3	---	118.4	---	111.8	---	---	---
February	97.9	115.4	113.0	---	---	---	---	---	113.0	111.6	118.5	---	118.9	---	113.2	---	---	---
March	102.5	119.4	111.5	---	---	---	---	---	116.2	112.2	118.7	---	120.0	---	113.9	---	---	---
April	113.5	120.0	112.8	---	---	---	---	---	115.4	113.0	118.9	---	119.6	---	114.0	---	---	---
May	117.7	116.1	112.4	---	---	---	---	---	115.5	113.9	118.9	---	119.4	---	114.5	---	---	---
June	114.6	128.4	113.8	---	---	---	---	---	115.5	115.1	119.0	---	119.2	---	114.3	---	---	---
July	86.1	111.8	111.4	---	---	---	---	---	115.7	115.3	123.4	---	118.6	---	114.4	---	---	---
August	118.5	124.8	114.2	---	---	---	---	---	115.3	115.9	125.0	---	119.7	---	114.7	---	---	---
September	92.6	113.3	112.2	---	---	---	---	---	115.5	115.8	124.0	---	119.1	---	114.4	---	---	---
October	95.3	126.0	114.0	---	---	---	----	---	116.2	115.5	123.0	---	118.1	---	114.9	---	---	---
November	84.0	127.2	114.0	---	---	---	---	---	116.4	115.3	122.2	---	119.1	---	115.4	---	---	---
December	96.0	126.3	116.5	---	---	---	---	---	117.2	116.1	122.0	---	120.6	---	116.6	---	---	---
1972																		
January	83.4	122.1	118.4	---	---	---	---	---	117.7	116.2	121.6	---	119.9	---	117.2	---	---	---
February	92.2	124.4	119.7	---	---	---	---	---	118.2	116.2	120.1	---	121.7	---	118.7	---	---	---
March	109.1	107.5	118.2	---	---	---	---	---	119.2	117.1	120.1	---	122.8	---	118.8	---	---	---
April	94.8	116.8	118.9	---	---	---	---	---	117.4	118.3	120.2	---	122.1	---	118.2	---	---	---
May	115.4	109.8	120.5	---	---	---	---	---	116.7	118.9	119.6	---	121.0	---	118.6	---	---	---
June	107.5	114.8	121.7	---	---	---	---	---	114.7	119.1	122.0	---	121.5	---	119.0	---	---	---
July	98.5	132.8	125.7	---	---	---	---	---	117.2	119.0	122.0	---	121.4	---	119.8	---	---	---
August	106.9	149.5	129.4	---	---	---	---	---	118.5	119.8	121.9	---	120.5	---	120.3	---	---	---
September	98.7	151.1	130.6	---	---	---	---	---	119.1	120.2	122.2	---	120.9	---	121.6	---	---	---
October	102.2	133.6	128.6	---	---	---	---	---	119.8	122.0	123.4	---	122.9	---	122.7	---	---	---
November	116.8	141.9	130.9	---	---	---	---	---	121.9	123.7	121.0	---	121.7	---	124.2	---	---	---
December	120.7	134.6	138.3	---	---	---	---	---	122.8	125.1	119.2	---	122.5	---	130.2	---	---	---

1/ For earlier annual data (1957-59 reference base), see Food Consumption, Prices and Expenditures, Agricultural Economic Report No. 138, table 106. 2/ Includes potatoes. 3/ In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. 4/ Includes alcoholic beverages. 5/ Includes animal fats and oils, crude and refined vegetable oils, manufactured animal feed, and miscellaneous processed foods in addition to items listed separately. 6/ All food includes all processed foods (omitting soft drinks, alcoholic beverages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from the farm products group. 7/ Prior to 1967, includes manufactured animal feeds, soft drinks, and alcoholic beverages.

Bureau of Labor Statistics.

Table 13.--Retail food price indexes and Consumer Price Index, selected periods 1/
(1967=100)

Year and month	Food at home																		
	Meats								Fruits and vegetables									Consumer Price Index, less food	Consumer Price Index
	Beef and veal	Pork	Total 2/	Poultry	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fresh	Processed	Total	Cereal and bakery products	Sugar and sweets	Beverages	Total	Food away from home	All food		
1960	92.1	81.7	87.2	106.9	85.0	113.2	88.4	86.5	84.6	92.9	88.3	87.1	90.1	91.5	89.6	81.4	88.0	88.8	88.7
1966	99.4	109.0	102.6	106.7	96.7	119.6	95.8	99.7	99.7	100.6	100.1	97.7	97.0	100.9	100.3	95.1	99.1	96.7	97.2
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.1	100.2	102.3	103.1	101.6	107.8	103.3	97.7	109.4	105.6	107.9	100.4	103.4	101.9	103.2	105.2	103.6	104.4	104.2
1969	114.5	109.1	111.4	109.0	107.2	126.8	106.7	97.9	111.1	106.5	109.3	103.3	109.1	104.6	108.2	111.6	108.9	110.1	109.8
1970	119.5	115.9	117.6	108.4	118.0	125.6	111.8	105.3	116.3	109.2	113.4	108.9	115.1	117.4	113.7	119.9	114.9	116.7	116.3
1971	124.9	105.0	116.7	109.0	130.2	108.4	115.3	115.2	121.0	116.2	119.1	113.9	119.3	121.6	116.4	126.1	118.4	122.1	121.3
January	118.5	103.6	112.9	106.3	125.4	124.0	113.9	111.9	107.4	112.8	109.6	112.4	117.8	121.9	113.4	123.4	115.5	120.3	119.2
February	120.0	103.2	113.5	105.5	127.0	112.7	114.0	112.7	112.2	113.0	112.6	112.8	117.9	122.1	113.9	123.9	115.9	120.4	119.4
March	122.4	106.0	115.6	107.8	127.7	110.9	114.2	113.0	117.7	113.5	116.0	113.0	118.1	121.8	115.1	124.3	117.0	120.6	119.8
April	124.2	103.6	115.7	107.3	128.6	109.7	114.6	114.3	123.6	114.7	120.0	113.9	118.7	122.0	116.1	124.8	117.8	120.9	120.2
May	124.6	102.2	115.6	107.8	129.4	106.1	115.1	114.7	125.6	115.1	121.4	114.1	119.0	121.8	116.3	125.3	118.2	121.6	120.8
June	126.1	103.6	117.0	111.6	130.3	99.1	115.7	114.5	131.2	115.9	125.1	114.2	119.4	122.2	117.4	125.9	119.2	122.2	121.5
July	126.6	104.7	117.6	112.1	131.0	105.2	116.0	114.8	132.2	116.9	126.0	114.8	119.7	122.0	118.1	126.5	119.8	122.4	121.8
August	126.8	106.9	118.4	112.1	131.9	109.7	116.0	116.0	127.4	117.9	123.6	114.5	120.3	122.0	118.1	127.1	120.0	122.7	122.1
September	127.7	106.4	118.8	112.2	132.5	102.4	116.1	117.5	115.3	118.6	116.6	114.6	120.2	121.0	116.9	127.6	119.1	123.1	122.2
October	127.1	105.8	118.3	110.0	132.8	106.7	116.0	117.6	113.6	118.4	115.6	114.3	120.1	121.2	116.6	128.0	118.9	123.5	122.4
November	126.6	106.3	118.2	108.1	132.9	103.2	115.9	117.6	117.3	118.5	117.8	114.1	120.0	120.9	116.7	128.2	119.0	123.7	122.6
December	128.0	107.2	119.1	107.5	133.2	110.5	116.1	117.5	128.2	118.8	124.4	113.8	120.1	120.5	118.2	128.3	120.3	123.9	123.1
1972	136.6	121.6	129.2	110.4	141.9	107.7	117.1	116.6	128.0	120.5	125.0	114.7	120.9	121.3	121.6	131.1	123.5	125.8	125.3
January	130.8	109.2	121.1	108.4	134.7	108.0	116.4	117.2	122.1	119.2	120.9	113.7	120.1	120.4	118.2	128.6	120.3	124.0	123.2
February	136.1	119.4	127.5	110.7	137.0	101.4	116.9	117.7	126.8	119.5	123.9	114.3	120.5	120.7	120.5	128.9	122.2	124.2	123.8
March	137.1	118.2	127.9	111.6	138.3	107.5	117.3	118.3	122.3	119.9	121.4	114.8	121.2	120.9	120.6	129.4	122.4	124.5	124.0
April	135.9	116.7	126.9	109.4	139.8	102.9	117.4	118.0	123.2	120.3	122.1	115.0	121.4	120.9	120.4	130.0	122.4	124.9	124.3
May	134.1	115.4	125.6	108.4	140.2	101.7	117.3	117.6	126.7	119.8	123.9	114.7	121.4	121.0	120.2	130.4	122.3	125.4	124.7
June	135.8	118.0	127.5	108.9	141.3	94.2	117.0	117.1	132.2	119.9	127.2	114.5	120.6	120.5	120.9	130.9	123.0	125.7	125.0
July	139.4	124.0	131.3	111.8	142.0	101.9	116.8	115.7	134.1	120.0	128.4	114.4	120.4	120.3	122.4	131.3	124.2	125.9	125.5
August	140.2	125.4	132.5	110.6	142.8	105.0	116.6	115.6	133.4	120.2	128.1	114.4	120.5	120.6	122.7	131.9	124.6	126.1	125.7
September	138.3	127.1	132.3	112.6	144.4	114.0	116.9	115.8	128.9	121.0	125.7	114.6	120.7	121.7	122.8	132.5	124.8	126.7	126.2
October	137.3	129.2	132.7	112.0	145.8	114.5	117.1	115.9	126.7	121.2	124.5	114.6	120.9	122.6	122.8	132.8	124.9	127.1	126.6
November	137.7	128.6	132.9	110.2	148.0	113.6	117.7	115.6	129.5	122.1	126.5	115.0	121.1	122.9	123.4	133.3	125.4	127.4	126.9
December	136.8	128.4	132.5	110.2	148.6	128.0	118.3	115.3	130.6	122.4	127.3	115.8	121.4	123.1	124.1	133.7	126.0	127.6	127.3
	Seasonally adjusted																		
1971																			
January	119.3	105.2	113.9	107.6	125.1	112.1	113.8	---	108.8	112.6	110.6	112.4	117.9	122.0	113.6	123.4	115.6	120.4	119.3
February	121.1	104.2	114.4	106.5	126.5	105.7	114.1	---	114.4	113.0	113.9	112.8	118.3	122.2	114.2	124.0	116.2	120.6	119.6
March	122.8	106.6	115.9	107.7	127.6	111.0	114.4	---	117.6	113.7	116.0	113.0	118.3	121.9	115.3	124.5	117.2	120.7	119.9
April	124.3	104.8	115.9	107.1	128.5	110.0	115.1	---	120.9	114.7	118.5	113.8	118.8	121.9	116.2	124.9	117.9	120.9	120.2
May	124.0	103.8	115.7	108.5	129.1	118.0	115.2	---	120.3	115.2	118.3	114.2	119.0	121.8	116.3	125.4	118.3	121.6	120.8
June	125.3	103.8	116.8	110.4	130.2	114.8	115.6	---	123.5	116.1	120.6	114.3	119.3	121.8	116.9	126.0	118.8	122.1	121.3
July	125.3	102.9	116.6	109.8	131.1	115.9	115.9	---	123.8	117.0	121.0	114.7	119.7	121.9	117.2	126.5	119.0	122.4	121.6
August	125.2	103.8	116.5	110.1	132.0	109.7	115.9	---	124.2	118.0	121.7	114.4	120.2	121.8	117.3	127.0	119.3	122.8	122.0
September	126.3	103.7	117.3	110.0	132.8	98.6	116.0	---	120.1	118.4	119.5	114.5	120.0	121.2	116.8	127.5	119.0	123.1	122.2
October	127.0	104.5	117.8	110.6	133.1	102.3	115.9	---	121.5	118.4	120.4	114.2	120.0	121.2	116.6	127.7	118.9	123.3	122.4
November	127.7	107.3	119.0	110.1	133.3	103.7	115.8	---	123.7	118.5	121.7	114.2	120.1	120.9	117.9	127.9	119.8	123.5	122.6
December	130.1	108.9	120.7	110.1	133.3	101.9	116.0	---	132.4	118.6	126.6	114.0	120.1	120.7	118.7	128.3	120.5	123.8	123.0
1972																			
January	131.7	110.9	122.2	109.7	134.4	97.6	116.3	---	123.7	119.0	122.0	113.7	120.2	120.5	118.4	128.6	120.4	124.1	123.3
February	137.3	120.6	128.5	111.7	136.5	95.1	117.0	---	129.3	119.5	125.3	114.3	120.9	120.8	120.9	129.0	122.6	124.4	124.0
March	137.5	118.9	128.3	111.5	138.2	107.6	117.5	---	122.2	120.1	121.4	114.8	121.4	121.0	120.8	129.7	122.6	124.6	124.1
April	136.0	118.0	127.2	109.2	139.7	103.2	117.9	---	120.5	120.3	120.5	114.9	121.5	120.8	120.5	130.1	122.5	124.9	124.3
May	133.4	117.2	125.7	109.1	139.9	113.1	117.4	---	121.4	119.9	120.8	114.8	121.4	121.0	120.2	130.5	122.4	125.4	124.7
June	135.0	118.2	127.2	107.7	141.2	109.2	116.9	---	124.5	120.1	122.7	114.6	120.5	120.1	120.4	131.0	122.6	125.6	124.8
July	138.0	121.9	130.1	109.5	142.1	112.2	116.7	---	125.6	120.1	123.3	114.3	120.4	120.2	121.4	131.3	123.3	125.9	125.3
August	138.4	121.7	130.4	108.6	142.9	105.0	116.5	---	130.0	120.3	126.1	114.3	120.4	120.4	121.8	131.8	123.9	126.2	125.6
September	136.8	123.9	130.6	110.4	144.7	109.7	116.8	---	134.3	120.8	128.8	114.5	120.5	121.9	122.7	132.4	124.7	126.7	126.2
October	137.2	127.7	132.2	112.6	146.1	109.8	117.0	---	135.5	121.2	129.7	114.5	120.8	122.6	122.8	132.5	124.9	126.8	126.6
November	139.0	129.8	133.8	112.2	148.4	114.2	117.6	---	136.6	122.1	130.7	115.1	121.2	122.9	124.6	133.0	126.3	127.1	126.9
December	139.0	130.5	134.2	112.9	148.7	118.1	118.2	---	134.9	122.2	129.5	116.0	121.4	123.3	124.6	133.7	126.3	127.5	127.2

1/ For earlier annual data (1957-59 reference base), see Food Consumption, Prices, and Expenditures, Agricultural Economic Report No. 138, July 1968. 2/ Beef, veal, lamb and mutton, pork, and processed meat. 3/ Includes butter. 4/ Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI. Revised beginning 1968. Bureau of Labor Statistics.

SPECIAL ARTICLES APPEARING IN THE NATIONAL FOOD SITUATION DURING 1969-72 1/

1972

U.S. Families Still Preserve Food at Home, NFS-140, May 1972
Food Use by the Foodservice Industry, NFS-141, August 1972
Nutritional Review, NFS-142, November 1972
Enrichment and Fortification of Foods, 1966-70, NFS-142, November 1972
Spice Trends in the United States, NFS-142, November 1972

1971

Percent of Income Spent for Food--Estimates from National Income and Household Survey, NFS-137, August 1971
Nutritional Review, NFS-138, November 1971
The Downtrend in U.S. Coffee Consumption, NFS-138, November 1971

1970

Nutritional Review, NFS-134, November 1970
Tea Situation: Trends and Prospects, NFS-134, November 1970
Food in the 1960's: Prices, Consumption, and Expenditures, NFS-133, August 1970
Consumption of Corn, Oats, and Barley Food Products, NFS-132, May 1970
Foods Eaten Away From Home, NFS-132, May 1970
Food: A Special Issue in Welfare Programs, NFS-131, February 1970

1969

Grocery Store Sales in 1968, NFS-130, November 1969
Cyclamate Sweeteners, NFS-130, November 1969
Nutritional Review, NFS-130, November 1969
USDA Domestic Food Programs, NFS-129, August 1969
A Cross-Sectional View of U.S. Food Consumption, NFS-128, May 1969
Sweetener Situation, NFS-127, February 1969
Coffee Situation, NFS-127, February 1969

1/ For 1962-66 see National Food Situation, NFS-119, February 1967; 1967-68 see National Food Situation, NFS-139, February 1972

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NFS-143 FEBRUARY 1973

OUTLOOK CONFERENCE SCHEDULED FOR FEB. 20-22, 1973

The 1973 National Agricultural Outlook Conference has been set for Feb. 20 through 22, at the U.S. Department of Agriculture in Washington, D.C.

Central theme of the Conference will be "The Future Structure of Agricultural Production and Marketing." Such topics as the long-range expansion of demand for agricultural products, input requirements of the food industry, significant trends in organization and control of the food and fiber sector of the economy, impact of environmental developments on agricultural production and marketing, and future developments in the export market will be explored in depth.

The 1973 outlook for U.S. agriculture and the general economy will receive particular attention at the Conference. Sessions on the 1973 outlook for major commodities and rural family living will make up an important part of the Conference as usual. The Conference, sponsored by USDA's Economic Research Service and Extension Service, will feature presentations and panel discussions by leading authorities in agriculture and business.

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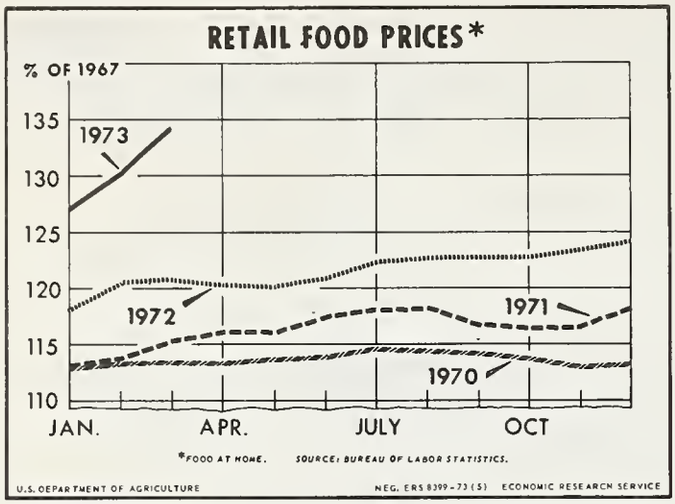

Figure 1

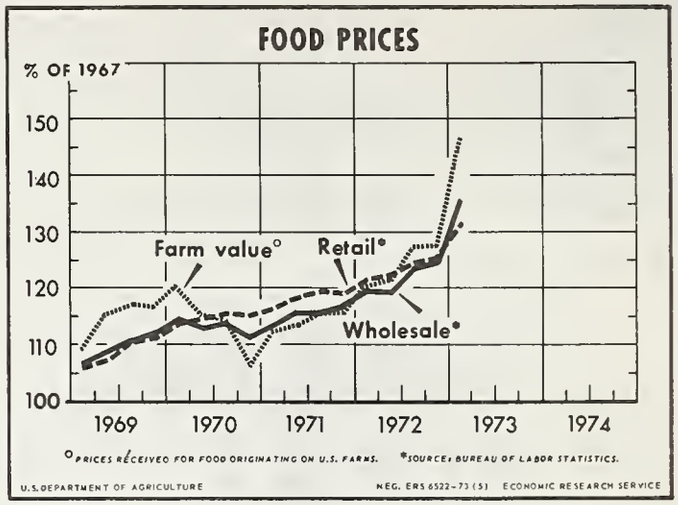

Figure 2

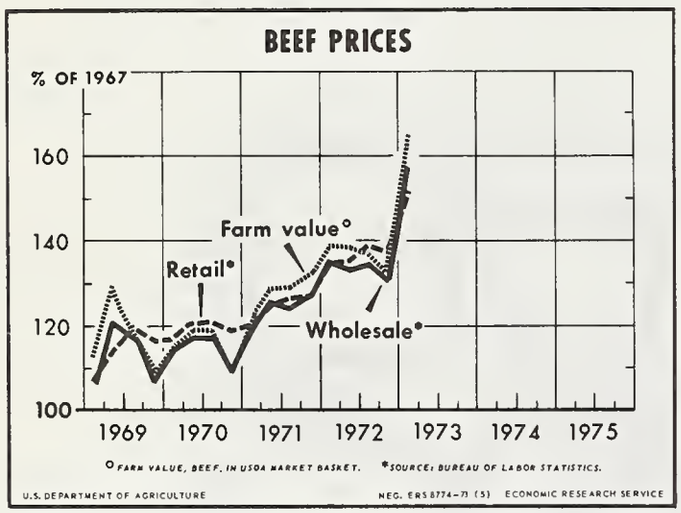

Figure 3

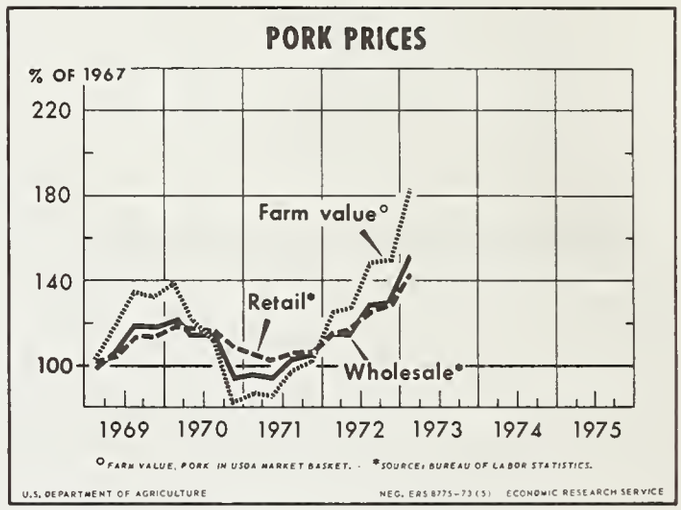

Figure 4

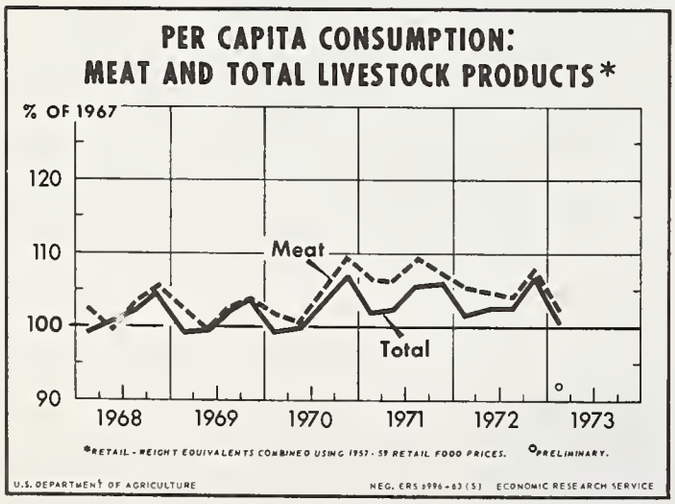

Figure 5

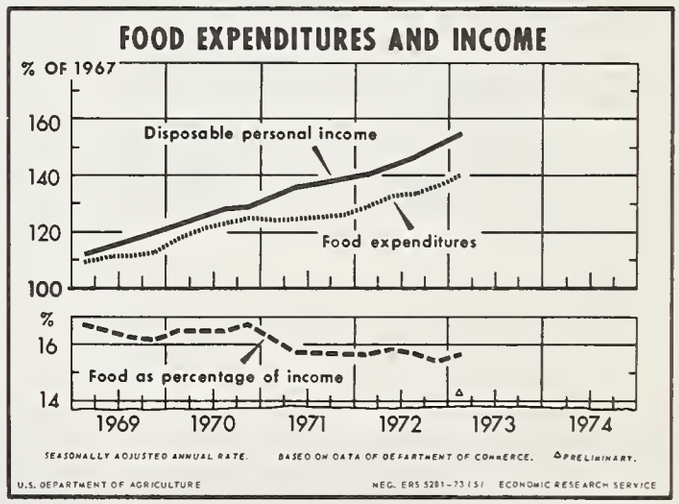

Figure 6

NATIONAL FOOD SITUATION

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Principal contributors:
Larry V. Summers
Anthony E. Gallo
Frederick D. Gray
Helen M. Eklund

Economic and Statistical Analysis Division
Economic Research Service

U.S. Department of Agriculture
Washington, D.C. 20250

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SUMMARY

Retail food prices may rise somewhat further through midyear, but the rate of increase appears to be slowing in the second quarter. Prices may stabilize during the third quarter, and some decline is expected this fall. For the year, prices may average 9 percent above 1972.

Both domestic and export demand will probably continue strong. In some instances, the competitive position of U.S. products abroad has been enhanced by the dollar devaluation. However, recent increases in farm prices along with changes in government programs to increase production and imports are expected to boost food supplies.

Decreased domestic production of farm foods during 1972 and early 1973, along with increased demand at home and abroad, sent retail food prices rising at a sharp clip. First quarter prices for all food averaged 8 percent above the same quarter a year ago. The Consumer Price Index for food at home was up 9 percent, twice the increase for meals eaten out. Most of the increase in prices at retail was reflected in higher farm prices. The marketing margin was up slightly.

Sharp advances in prices of livestock related products accounted for most of the first quarter increase. As red meat prices surged, consumer demand spread some toward other high-protein foods, accelerating price increases for poultry, fish, and dairy products. Egg prices increased the most. Pork was also much higher, followed by beef, poultry, and fish. Dairy prices rose the least. Crop related food prices rose sharply, primarily reflecting higher fresh produce prices.

In March, price ceilings were placed on beef, veal, pork, and lamb at processor, wholesale, and retail levels. The ceiling does not apply to animals on the hoof.

Record per capita food consumption is expected this year, if prospective gains in agricultural output aren't limited by adverse weather. The per capita advance over the 1972 level will be small. Crop food will rise the most. Increases for fruits, processed vegetables, processed potatoes, and vegetable oils will more than offset declines for fresh vegetables and potatoes, coffee, and cocoa. Among animal products, small increases are expected for meat and

dairy products. Fish consumption will stay about the same.

Food expenditures in January-March averaged 10 percent above the first quarter of 1972, mostly reflecting higher prices. After adjusting for price increases, expenditures rose only 2 percent, largely accounted for by increased eating of restaurant meals and snacks. Food at home expenditures, excluding price increases, rose 1 percent. Food spending as a share of disposable income was 15.6 percent, down slightly from the first quarter a year ago.

Net production of U.S. farm commodities declined 3 percent in 1972, but increased imports provided a partial offset. Use of farm food commodities advanced 3 percent, reflecting a 1 percent increase in domestic food use and a 20 percent increase in exports. Changes in food stock levels made up the difference between decreased net production and increased utilization.

The 1973 forecasts assume that trend or projected yields are achieved for important crops, especially feed grains and soybeans, and that planted acreages exceed the March intentions. Weather limited farmers in the mid-section of the country to substantially less land preparation than usual last fall. So far this spring, excessive moisture and wet fields have prevented farmers from catching up on land preparation and planting operations. Less than a sizable increase in crop output would intensify the upward pressure on prices of farm products and food.

FOOD PRICES

The Consumer Price Index for food in the first quarter averaged 8 percent above a year ago. Grocery store food prices were almost 9 percent higher, while meals eaten in restaurants and snack bars were up 4½ percent.

The index for grocery store food prices rose at a sharp clip throughout the quarter. By March, the index was 11½ percent higher than a year earlier (table 20).

Change in retail food prices, first quarter, 1973

Item	From fourth quarter 1972	From first quarter 1972
	Percent	*Percent*
Meat	9.5	15.8
Poultry	16.6	17.2
Fish	2.4	10.5
Dairy products	2.4	3.1
Eggs	20.5	35.4
Fats and oils	-.5	-2.3
Fruits and vegetables	5.9	9.3
Sugar and sweets	1.4	1.8
Cereal and bakery products	2.3	3.0
Beverages	2.0	3.8
Other preparations	.8	2.0
Food at home	5.8	8.9
Food away from home	1.2	4.6
All food	4.8	8.1

Almost all of the quarterly increase was reflected in significant advances in farm prices. The marketing margin was up slightly (table 1).

Demand Strong, Supplies Low

The rapid acceleration in food prices this winter reflected a considerable imbalance in food supplies relative to demand.

Consumer purchasing power advanced at a stronger pace than any quarter in 1972. A sharp decline in savings and an increase in installment debt augmented another substantial rise in disposable personal income. The unemployment rate dropped noticeably, and the post-Christmas drop in employment was far less than usual.

In addition to buoyant demand at home, export markets have expanded rapidly. Prosperity and constricted food output abroad have raised demand for U.S. farm food products. Food prices in most industralized countries have been rising more than in the United States during the past year.

Decreased domestic production of farm foods during 1972 and early 1973 has contributed to higher food prices. Pork supplies are still below a year ago although hog production is beginning a recovery cycle. Earlier depressed prices for eggs and recent high feed prices have contributed to reduced egg production. Prospects are for little if any poultry meat increase for the rest of 1973, largely as a result of high feed prices, particularly soybean meal and fishmeal.

Inclement weather has also played an important part in reducing food supplies. Freezes, unseasonable weather, and last summer's Hurricane Agnes all damaged fruit and vegetable crops. Bad weather last fall interfered with the harvest and lowered the quality of feed grain and soybean crops.

Commodity Retail Prices

Most of the first quarter increase in the CPI for food at home reflected a sharp advance in prices of livestock related foods, but crop related products, especially fresh fruits and vegetables, were also up considerably.

The retail price index for livestock food products averaged almost 13 percent above a year earlier. As red meat prices surged to peak levels, consumer demand spread to other high-protein substitutes, accelerating price increases for poultry, fish, and dairy products.

Consumer prices for crop related foods averaged about 5 percent above the first quarter of 1972. Fresh

Table 1.--Consumer, wholesale, and farm price indexes, 1972-73
(1967=100)

Item	1972					1973 I	
	I	II	III	IV	Year	Index	Percent change 1972-73
							Pct.
Retail prices: 1/							
All goods and services (CPI)	123.7	124.7	125.8	126.9	125.3	128.7	4.0
All items less food	124.2	125.3	126.2	127.4	125.8	127.9	3.0
All food	121.6	122.6	124.5	125.4	123.5	131.4	8.1
Food at home	119.8	120.5	122.6	123.4	121.6	130.5	8.9
Food away from home	129.0	130.4	131.9	133.3	131.1	134.9	4.6
Wholesale prices: 1/							
All commodities	117.0	118.2	119.9	121.2	119.1	127.0	8.5
Industrial commodities	116.4	117.6	118.4	119.1	117.9	121.3	4.2
Farm products	119.4	121.8	128.3	130.6	125.0	152.0	27.3
Processed food	120.2	120.3	123.0	124.0	121.9	133.6	11.1
All food 2/	119.7	119.4	123.5	124.6	121.8	135.4	13.1
Prices received by farmers: 3/							
Crops	110	114	117	121	116	134	21.8
Livestock and products	129	128	136	140	133	163	26.4
Average	120	122	128	132	126	151	25.8
Market basket of U.S. farm foods: 4/							
Retail cost	119.5	120.1	122.5	123.1	121.3	130.8	9.5
Farm-retail spread	118.6	119.0	119.3	120.4	119.3	120.8	1.9
Farm value	120.9	121.9	127.4	127.5	124.4	146.6	21.3

1/ Department of Labor, Bureau of Labor Statistics.

2/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group.

3/ Statistical Reporting Service.

4/ Economic Research Service.

produce prices, which account for a third of this index, were up very sharply.

All major food categories were higher than last year, except fats and oils which dropped slightly.

Beef.—Retail beef prices averaged 13 percent above a year ago with prices of all cuts rising. The least expensive products advanced the most in price. By March, hamburger averaged 21 percent above last year and beef liver was up 24 percent. Chuck roast rose 19 percent.

Per capita beef consumption, at these higher prices, was about the same as last year reflecting expanding demand.

Pork.—Retail pork prices were 23 percent above a year ago. Per capita consumption was down 7 percent from a year earlier as producers cut back production in response to low 1971 hog prices.

Poultry.—Retail poultry prices averaged 17 percent above a year earlier. Most of the increase reflected sharply higher prices for chicken. Turkey prices also rose.

Chicken output is down from a year earlier in response to higher feed costs. High red meat prices have also contributed to the higher poultry prices.

Fish.—In contrast to recent patterns, fish prices showed the least year-to-year rise in the meat, poultry, fish category. The CPI for fish averaged 10½ percent above the first quarter of 1972, and less than 2½ percent above the fall quarter. Supplies of most fish were large at the beginning of 1973, keeping the fish price index from moving ahead faster in response to higher meat prices.

Eggs.—Egg prices at retail averaged 35 percent above a year ago. Production was cut 7 percent from 1972 in response to excess supplies and low prices during earlier years. Higher meat, poultry and fish prices may also have strengthened demand for eggs.

Dairy.—Retail dairy prices rose 3 percent above a year earlier, the smallest increase for any livestock related food group.

Butter prices were unchanged, and ice cream prices were up minimally. Cheese and milk prices advanced the most.

Fruits and vegetables.—Retail prices for fruits and vegetables averaged 9½ percent above a year earlier. Prices for fresh produce were much higher. Prices of processed fruits and vegetables were up only 3½ percent.

The 10 percent increase in fresh fruit prices was due to a small crop of non-citrus fruits last fall. The citrus crop was much larger, and probably limited the increase in the fruit price index. Fresh vegetable prices were 11 percent higher, reflecting smaller crops for many vegetables. Potato prices were the highest in 8 years and onion prices reached record high levels.

Other foods.—Cereal and bakery product prices made a relatively large gain in the first quarter and were about 3 percent higher than a year ago. Higher *coffee* prices pushed the beverage index about 4 percent above last year. *Sugar and sweets* prices were less than 2 percent above last year.

Wholesale Prices

The Wholesale Price Index for all foods averaged 13 percent above a year ago in the first quarter. Prices of industrial products were up 4 percent (table 19).

Wholesale egg prices were 50 percent above last winter, while pork and poultry prices averaged 30 percent higher. Fresh produce advanced 25 percent.

Most other items rose at a considerably slower pace.

Wholesale indexes for April indicate a slowing of the food price rise. Reductions for eggs, pork, beef, and vegetable oil end products were more than offset by continued large gains for fresh produce and poultry and smaller increases for all other major food categories. The 0.7 percent increase for all food in April compares with 4.9 percent in March and 1.4 percent in February.

Food Prices and Controls

Temporary price ceilings at processor, wholesale and retail levels were placed on beef, veal, pork, lamb, and processed meat products in March. The ceilings do not apply directly to live animals.

Retail, wholesale, and packer prices cannot exceed the highest price at which at least 10 percent of the specific item was priced the 30 days preceding March 28.

Meat packers may pass through, on a dollar-for-dollar basis, any increase in raw material costs. They must also pass through any decrease in raw material costs.

A Cost of Living Council committee on food has been established to oversee various actions to expand food supplies and to reduce the cost of food to consumers. Cost of Living Council committees have also been created to focus on various recommendations that arise from the food industry and to find ways to reduce costs of marketing food.

Outlook

Retail food prices for 1973 are now expected to average 9 percent above 1972. The yearly advance largely reflects price increases experienced during the first quarter of the year, although additional small increases are expected through mid-year. Some decline will likely occur during the latter part of 1973 if present demand and supply expectations are realized.

Retail beef and pork prices are expected to remain above a year earlier through the balance of the year

but may weaken a little in months ahead. Poultry prices will probably remain strong this spring and summer but decline from current levels in the fall. Egg prices will average well above 1972, with mainly seasonal increases for the balance of the year. Fish prices will continue higher reflecting strong demand, increased competition for limited world supplies, and expected losses of shellfish due to recent adverse weather conditions. Retail dairy prices will likely hold fairly steady through summer, but may rise seasonally in the third quarter.

Fresh fruit prices are likely to increase further seasonally but may ease by late summer with larger deciduous fruit supplies expected; the citrus crop is well above a year ago. Fresh vegetable production is down this spring as larger supplies of tomatoes, cabbage, and carrots only partly offset a drop in onions, celery, lettuce, corn, and cucumbers. Prices of cereal and bakery products and sugar and sweets will likely rise only slightly. Higher wholesale coffee prices now in evidence will be reflected at retail the rest of the year.

Some easing of short food supplies relative to demand is likely during the second half of the year. Increases in farm prices and changes in Government programs are expected to result in a major increase in farm production, weather permitting. Supplies of both crop and livestock products are expected to rise. Short cycle animal products such as poultry and eggs may be somewhat limited by concern over high feed prices. However, this would be alleviated if the large grain crops materialize.

Federal programs have been modified to encourage domestic production, attract imports, and reduce export incentives. Government-owned stocks of most grains have been sold and the rest is for sale. Farm programs have been changed so that farmers may plant substantially larger acreages of wheat, rice, feed grains, and soybeans in 1973. USDA is permitting the use of "set aside" acres for year-round grazing and forage in return for a 30 percent reduction in payment.

All direct export subsidies on agricultural products have been suspended. There are no quantitative restrictions on meat imports. Quota restrictions on cheese and nonfat dry milk have been eased. Also, for the 1973 season, fruit and vegetable marketing orders involving volume regulations will be geared toward marketing the entire crop.

Total demand is expected to continue strong although domestic consumer demand is likely to moderate from the current pace as the accumulation in installment debt and completion of this year's large income tax refunds begin to slow further expansion in buying power. However, unexpectedly large wage increases would be offsetting. Foreign demand has stayed lively, reflecting strong economic growth in several countries and crop shortages abroad. In addition, competitive position of U.S. products in some instances has been enhanced by international monetary changes.

FOOD SPENDING AND INCOME

Disposable personal income in first quarter 1973 rose to $851 billion (seasonally adjusted annual rate), 2.7 percent above the fourth quarter. A steeper 4.2 percent rise for food expenditures to $133 billion, however, increased the proportion of income spent for food to 15.6 percent from the 15.4 percent at the end of last year (table 2).

An 8 percent price rise accounted for most of the year-to-year advance in food expenditures, holding the real increase to 2 percent. Excluding price advances, food-at-home expenditures rose 1 percent and food-away expenditures rose 5 percent. There was a slight decline in food expenditures from the fourth quarter after adjustment for price increases. All of this decline was for store-bought food; expenditures for food away from home advanced nearly 3½ percent.

Although expenditures for food spurted 4.2 percent in the first quarter, that rise was only slightly more than the 3.9 percent increase registered for other nondurables and much less than the 7.7 percent jump for durables. First quarter increases for almost every major category of consumer expenditure were the steepest in a year.

Changes in food expenditures, first quarter, 1973[1]
(Seasonally adjusted)

Item	From fourth quarter 1972	From first quarter 1972
	Percent	*Percent*
Total food		
Current dollars	4.2	10.3
1958 dollars	-.5	2.0
Food at home		
Current dollars	3.7	10.2
1958 dollars	-1.3	1.3
Food away from home		
Current dollars	5.6	10.6
1958 dollars	3.4	5.1

[1] Preliminary.

Compared with a year ago, both income and food expenditures were up over 10 percent. Expenditures

Table 2.--Expenditures for food in relation to disposable income, 1960 and 1965-73 1/

Year	Disposable personal income	Personal consumption expenditures for food 2/					
		For use at home 3/		Away from home 4/		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Bil. dol.	Bil. dol.	Pct.	Bil. dol.	Pct.	Bil. dol.	Pct.
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1965	473.2	69.3	14.6	16.5	3.5	85.8	18.1
1966	511.9	73.8	14.4	18.2	3.6	92.0	18.0
1967	546.3	74.5	13.6	19.4	3.6	93.9	17.2
1968	591.0	79.0	13.4	20.7	3.5	99.7	16.9
1969	634.4	82.0	12.9	22.1	3.5	104.1	16.4
1970	689.5	90.2	13.1	24.0	3.5	114.2	16.6
1971	744.4	92.4	12.4	24.9	3.4	117.3	15.8
I	725.7	92.0	12.7	24.5	3.4	116.5	16.1
II	742.9	92.3	12.4	24.6	3.3	116.9	15.7
III	750.4	92.5	12.3	24.8	3.3	117.3	15.6
IV	758.5	92.6	12.2	25.7	3.4	118.3	15.6
1972	795.1	97.6	12.3	26.8	3.4	124.4	15.7
I	770.5	94.3	12.3	26.3	3.4	120.6	15.7
II	782.6	97.4	12.4	26.6	3.4	124.0	15.8
III	798.8	98.8	12.4	26.7	3.3	125.5	15.7
IV	828.2	100.1	12.1	27.6	3.3	127.7	15.4
1973							
I 5/	850.9	103.8	12.2	29.2	3.4	133.0	15.6

1/ Quarterly data are seasonally adjusted annual rates. 2/ Derived from data of Department of Commerce, Survey of Current Business and The National Income and Product Accounts of the United States, 1929-65, assuming one-fourth of purchased meals and beverages is alcoholic beverages and the balance of reported alcoholic beverages is for off-premise use (consistent with 1963 Census of Business Merchandise Line Sales). Omits alcoholic beverages, food donated by Government agencies to schools and needy persons, and non-personal spending for food such as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees. 3/ Includes food consumed on farms where produced. 4/ Includes food served to the military and employees of hospitals, prisons, and food service establishments. 5/ Preliminary.

Table 3.--Federal cost of USDA food programs, 1970-73 1/

Year	Food stamps		Food distribution 3/				Child nutrition 5/				Total 6/
	Total issued	Bonus stamps 2/	Needy families	Supplemental food 4/	Schools	Institution	School lunch	School breakfast	Special food	Special milk	
	Million dollars										
1970	1,926	1,103	295	12	271	24	366	14	15	96	2,198
I	287	153	75	2	102	6	94	4	2	32	469
II	433	258	78	3	35	7	96	4	3	26	510
III	536	316	72	4	36	6	40	1	9	10	494
IV	670	377	71	3	98	5	136	6	2	28	725
1971	3,099	1,694	318	16	288	28	627	22	34	91	3,118
I	738	412	85	4	109	6	186	7	3	30	839
II	772	422	82	4	35	8	168	5	6	24	753
III	777	420	76	5	40	7	57	2	21	10	639
IV	812	441	75	4	103	7	216	7	4	28	884
1972	3,615	1,984	261	17	278	26	791	28	46	91	3,522
I	845	466	76	4	120	6	252	8	4	30	966
II	872	471	67	4	35	6	187	7	9	24	810
III	934	519	59	5	42	7	89	3	28	12	763
IV	964	529	59	4	82	7	263	10	5	26	983
1973											
I 7/	995	546	60	4	91	7	294	11	5	31	1,049

1/ Totals may not add due to rounding.
2/ Includes Food Certificate Program.
3/ Cost of food delivered to State distribution centers.
4/ Includes special food services for preschool and school age children in nonprofit institutions.
5/ Money donated for local purchase of food. Excludes nonfood assistance.
6/ Excludes those food stamps paid for by the recipient.
7/ Estimated.

Consumption expenditures and retail sales: Changes from previous quarter (Seasonally adjusted)

Item	1972			1973
	II	III	IV	I[1]
	Pct.	*Pct.*	*Pct.*	*Pct.*
Personal consumption expenditures	2.5	2.1	2.3	3.8
Durables	2.6	4.1	1.9	7.7
Nondurables	3.1	1.6	2.8	4.0
Food	2.8	1.2	1.8	4.2
Other	3.3	1.9	3.5	3.9
Services	1.9	1.9	2.1	2.0
Retail sales	3.4	2.5	3.7	5.7[3]
Food group[2]	3.7	1.6	1.7	4.0[3]
Grocery stores	3.8	1.3	2.1	4.0[3]

[1] Preliminary [2] Does not include eating places. [3] Estimated by ERS.

for other commodities rose more than food. Expenditures were up 13 percent for nondurables less food and 17 percent for durables. As a result, the expenditure pattern for the first quarter 1973 was somewhat different from a year ago.

Proportion of total consumer expenditures

Item	First quarter	
	1972	1973
	Percent	*Percent*
Food, excluding alcoholic beverages	17.3	17.2
Nondurables excluding food	24.1	24.6
Clothing and shoes	8.5	8.8
Other	15.6	15.8
Durables	16.0	16.8
Automobiles and parts	7.2	7.8
Other	8.8	9.0
Services	42.6	41.4
Housing	15.0	14.5
Household operation	5.9	5.9
Transportation	3.0	3.0
Other	18.7	18.0

The increase in personal disposable income during the first quarter of 1973 fell far short of the gain posted in the fourth quarter of 1972 when social security benefits were increased by almost $11 billion (seasonally adjusted, annual rate). A decrease in personal taxes and increases in wages and salaries were somewhat offset by increased contributions for social security. Gains in personal outlays, on the other hand, were more than half again greater than in the fourth quarter.

Personal savings declined nearly $6 billion from the record $62.8 billion (seasonally adjusted annual rate) in the fourth quarter, when the rate of savings had been 7.6 percent of disposable income. However, even with the savings rate reduced to 6.7 percent, total volume of savings was 2 percent more than in the first quarter a year earlier.

USDA Food Programs

Total family participation in food programs has remained stable relative to the first quarter of 1972. About 1.2 million new participants have entered the Food Stamp Program since a year ago. But this was largely the result of shifts from the Commodity Distribution Program where participation has fallen to 2.6 million from 3.6 million a year ago.

The value of bonus food stamps (those not paid for by the recipient) in first quarter 1973 was up 19 percent from a year ago while the value of commodities purchased for distribution to families declined 21.3 percent. The value of both programs combined increased over 12 percent to $606 million (table 3).

There are now only 6 counties and independent cities in the country with no family food program. One of these is currently planning a program.

The number of children participating in the school lunch program remained stable at 25 million. Participation in the school breakfast program, at 1.3 million, increased 200,000 over a year ago. Federal money donated for local food purchase by schools increased 17 percent over a year ago as direct commodity donations declined, for a net gain of 4 percent.

The total value of all USDA food programs increased 8½ percent since first quarter 1972. The total value of food programs was slightly over 3 percent of personal consumption expenditures for food, about the same as in the first quarter of 1972.

PER CAPITA FOOD CONSUMPTION

Record food supplies are expected this year, though this will be only a small advance over the 1972 level (table 4). Upward revision of meat and fish consumption estimates for 1972 raised total food consumption last year to a record high. A small but significant increase in per capita food consumption also is in prospect this year, largely from crop commodities. Food from animal source is expected to make only a small gain.

Crop foods for which consumption is expected to increase include fruits (fresh and processed), processed vegetables and potatoes, and vegetable

Table 4.--Per capita food consumption index, 1960-73 1/

Selected years	Meat	Poultry	Fish	Eggs	Dairy products 2/	Fats and oils			Fruits 3/		
						Animal 2/	Vegetable	Total	Fresh	Processed	Total
1960	92	75	95	104	106	123	81	96	111	95	103
1961	92	82	99	101	104	125	78	95	107	92	99
1962	93	81	98	101	105	123	81	96	102	96	99
1963	96	82	99	98	104	119	85	97	93	88	90
1964	98	84	97	98	104	116	90	99	98	85	91
1965	94	89	101	97	103	111	92	99	100	90	95
1966	96	96	100	97	102	99	102	101	100	90	95
1967	100	100	100	100	100	100	100	100	100	100	100
1968	103	99	102	99	101	103	104	103	98	97	97
1969	102	103	102	98	100	95	110	105	98	102	100
1970	104	108	109	99	99	90	116	107	101	103	102
1971	107	109	105	97	99	90	113	105	99	105	102
1972 4/	105	113	113	95	100	84	120	107	96	104	100

	Vegetables 5/			Potatoes and sweetpotatoes		Cereal products	Sugar and sweeteners	Coffee tea, and cocoa	All food		
	Fresh	Processed	Total	Fresh	Processed				Animal products	Crops 6/	Total
1960	107	84	99	129	56	103	98	100	95.7	97.1	96.4
1961	104	85	98	127	59	102	98	102	95.8	96.4	96.0
1962	102	89	97	121	64	101	99	102	96.2	96.5	96.3
1963	101	89	97	124	69	100	99	105	97.3	95.9	96.6
1964	100	91	97	113	76	101	99	102	98.8	96.4	97.6
1965	100	95	98	105	86	101	99	99	96.9	97.6	97.2
1966	98	97	98	106	98	99	100	99	98.1	98.6	98.3
1967	100	100	100	100	100	100	100	100	100.0	100.0	100.0
1968	99	104	100	101	106	101	103	100	101.5	101.1	101.2
1969	99	104	101	94	118	101	104	97	101.2	102.0	101.5
1970	100	104	101	91	121	98	106	94	102.5	103.1	102.8
1971	99	105	101	87	124	99	106	92	103.8	102.8	103.3
1972 4/	99	107	102	86	126	98	108	98	103.7	103.6	103.7
1973 7/									103.8	104.3	104.0

1/ Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. Data for earlier years are given in the 1970 Supplement to Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, November 1971. 2/ Includes butter. 3/ Excludes melons and baby food. 4/ Preliminary. 5/ Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes. 6/ Includes melons, dry beans and peas, nuts, soup, and baby food in addition to groups shown separately. 7/ Preliminary indications.

Table 5.--Livestock products: Per capita consumption indexes, quarterly, 1969-73 1/
(1967=100)

Year and quarter		Meat	Poultry	Eggs	Dairy products		Animal fats	Total livestock products 2/
					Excluding butter	Including butter	including butter	
1969	I	102.9	85.2	99.4	98.2	98.7	100.7	99.3
	II	99.5	97.3	97.0	102.8	102.2	88.1	99.7
	III	102.7	106.9	96.9	100.6	100.1	95.6	101.9
	IV	103.7	123.5	99.1	99.2	99.2	95.2	103.8
1970	I	101.5	91.8	98.9	98.9	98.9	99.4	99.4
	II	100.8	102.1	96.5	100.4	99.4	83.7	99.9
	III	104.8	113.2	97.2	100.2	99.7	84.3	103.1
	IV	109.7	124.5	101.0	98.5	98.6	93.9	106.7
1971	I	106.2	92.8	98.2	99.0	99.0	98.8	101.8
	II	106.1	100.7	96.4	99.9	99.0	83.7	102.2
	III	109.0	113.0	95.2	100.2	99.3	88.2	105.1
	IV	107.6	127.9	98.4	99.0	99.1	91.3	106.0
1972 3/	I	105.2	98.0	98.7	100.0	99.6	89.1	101.9
	II	104.8	107.6	93.3	101.3	100.3	79.8	102.4
	III	104.0	114.8	92.9	101.0	100.0	82.4	102.7
	IV	107.5	132.6	94.9	101.4	100.9	85.6	106.6
1973 3/	I	102.1	96.5	95.0	101.6	101.0	86.5	100.3

1/ Civilian consumption only. Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combined in terms of average 1957-59 retail prices. Data since 1955 are in the 1970 Supplement to Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, November 1971.

2/ Excludes fish and honey.

3/ Preliminary.

oils. Declines are expected for fresh vegetables and potatoes, coffee, and cocoa.

Among animal products the declines expected for poultry, eggs, and animal fat nearly offset expected small increases for meat and dairy products. Fish consumption is expected to be fractionally higher than in 1972.

Livestock Products

Per capita consumption of total livestock products (excluding fish) in the first quarter of 1973 was down more than 1½ percent from a year ago (table 5). All items except dairy products were lower: Eggs were down the most, followed by meat, animal fats, and poultry. Consumption of dairy products was 1½ percent above a year ago.

Consumption of livestock products in the second quarter is expected to nearly equal the year-ago level largely because meat supplies will be up 1 percent and declines from last year's levels will be less for eggs and animals fats. In the last half, consumption of virtually all livestock items except eggs and animal fats is expected to exceed year-earlier rates.

Consumption of livestock products usually falls 4½ percent from the fourth to the first quarter of the following year. The drop this year was almost 6½ percent. Meat consumption, actually dropping 5 percent rather than the 1½ percent seasonally expected, was a major contributor to the 1.7 percent seasonally adjusted decline for all livestock products.

Per capita food consumption indexes, seasonally adjusted

Period		Total livestock	Meat
		1967 = 100	
1971	I	103.7	106.0
	II	103.3	108.3
	III	104.8	108.9
	IV	103.3	105.8
1972	I	103.8	105.0
	II	103.5	106.9
	III	102.4	103.9
	IV	103.9	105.7
1973	I	102.1	101.9

Commodity Reviews

Meat.—A slight advance in per capita meat consumption is expected this year. The gain for beef may approach 2½ percent, but will be nearly offset by declines for pork, veal, and lamb and mutton. Last year's 3-pound decline from the record 191.8-pound 1971 level totally reflected lower pork consumption (table 6). Pork supplies will continue to lag 1972 levels through mid year.

Per capita red meat consumption in the first quarter totaled 3 percent less than the 47 pounds (carcass weight) consumed a year earlier, but it is expected to be above 1972 levels the rest of the year.

Per capita beef supplies are expected to generally rise for the rest of 1973. Pork consumption after a seasonal dip in the summer will end the year at a higher level than in 1972. Thus, by October-December per capita meat consumption is expected to be record high and 8 percent above first-quarter 1973, which was the lowest point in 2½ years.

The holding of calves for further feeding and the decline in the supply of dairy calves continue. Veal consumption dropped to 2.2 pounds per person in 1972 and a further decline is expected this year.

Lamb and mutton consumption per person rose slightly in 1972, with a sharp increase in imports more than offsetting a small decline in domestic output. This year both moderately lower production and imports are expected to drop the consumption rate to a record low.

Fishery products.[1]—Consumption of fish per capita is expected to rise only slightly above the 12.2-pound (edible weight) level of 1972. The increase will likely be in the fresh and frozen category which includes the material used in fish sticks and portions. Canned fish consumption likely will remain at last year's exceedingly high level, 4.9 pounds per person—the highest rate in over 20 years.

Supplies of most fresh and frozen and canned fishery products were larger at the beginning of 1973 than in 1972. Strong demand, however, for most of these items in light of rising meat prices cut into inventories rapidly during the first 3 months of the year. Supplies during the remainder of the year are somewhat uncertain. Devaluation of the dollar may limit the quantities imported and recent storms which caused heavy flows of fresh water into bays and estuaries may significantly reduce domestic production of shellfish.

Inventories of fish blocks, sticks and portions during the first quarter of 1973 were larger than a year ago, but by early April had been reduced to 1972 levels. Inventories of fish fillets (cod, flounder, ocean perch, turbot, pollock), however, were still substantially above a year ago in the first quarter.

Canned fish stocks on January 1 were 11 percent above those a year earlier. But there was variation by specie. There was extremely light carryover of salmon, and red salmon supplies were particularly short. Consumption of salmon will likely decline this year. Tuna, on the other hand, was in heavy supply at the beginning of the year and another large pack is in prospect this year.

[1]Prepared from information supplied by Market Research and Service Division, National Marine Fisheries Service, U.S. Department of Commerce.

Table 6.--Civilian per capita consumption of major food commodities (primary distribution weight) and civilian population, selected years 1/

Commodity	1960	1967	1969	1970	1971	1972	1972 as percentage of 1971
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Pct.
Meats (carcass weight)	160.9	178.3	182.5	186.3	191.8	188.9	98
Beef	85.1	106.5	110.8	113.7	113.0	115.9	103
Veal	6.1	3.8	3.3	2.9	2.7	2.2	81
Lamb and mutton	4.8	3.9	3.4	3.3	3.1	3.3	106
Pork (excluding lard)	64.9	64.1	65.0	66.4	73.0	67.5	92
Fish (edible weight)	10.3	10.6	11.2	11.8	11.4	12.2	107
Poultry products:							
Eggs (farm basis)--Number *	334	320	310	311	314	307	98
Chicken (ready-to-cook) *	28.0	37.2	39.1	41.5	41.4	42.9	104
Turkey (ready-to-cook) *	6.1	8.6	8.3	8.2	8.5	9.1	107
Dairy products:							
Cheese	8.3	10.1	11.0	11.5	12.2	13.2	108
Condensed and evaporated milk	13.7	9.0	7.9	7.1	6.8	6.2	91
Fluid milk and cream (milk equivalent)	322	285	272	264	259	258	100
Ice cream (product weight)	18.3	17.8	18.0	17.7	17.6	17.9	102
Fats and Oils--Total, fat content	45.3	49.4	51.9	53.3	52.1	53.2	102
Butter (actual weight)	7.5	5.5	5.4	5.3	5.1	5.0	98
Margarine (actual weight)	9.4	10.5	10.8	11.0	11.1	11.3	102
Lard	7.6	5.4	5.1	4.7	4.3	3.8	88
Shortening	12.6	15.9	17.1	17.3	16.8	16.7	99
Other edible fats and oils	11.5	15.2	16.8	18.2	18.0	19.6	109
Fruits:							
Fresh	93.4	80.9	79.0	81.4	80.0	77.8	97
Citrus	33.7	31.6	28.3	28.6	29.2	27.2	93
Apples (commercial)	18.3	16.2	15.1	18.5	16.2	18.0	111
Other (excluding melons)	41.4	33.1	35.6	34.3	34.6	32.6	94
Processed:							
Canned fruit	22.6	22.6	24.2	23.3	21.9	21.6	99
Canned juice	13.0	11.7	14.7	14.2	15.4	15.6	101
Frozen (including juices)	9.1	10.1	9.3	9.8	10.2	10.1	99
Dried	3.1	2.8	2.7	2.7	2.6	1.8	69
Vegetables:							
Fresh 2/ *	105.9	98.2	98.1	98.7	98.6	98.2	100
Canned, excluding potatoes and sweetpotatoes *	43.4	49.0	51.6	51.1	51.2	51.9	101
Frozen, excluding potatoes	7.0	9.0	9.1	9.6	9.7	10.0	103
Potatoes, fresh equivalent *	108.4	108.0	116.8	117.7	118.9	119.9	101
Sweetpotatoes, fresh equivalent *	7.1	5.8	5.7	5.6	4.9	4.9	100
Grains:							
Cornmeal and flour	6.6	7.2	7.4	7.4	7.4	7.4	100
Corn sirup	10.1	14.1	15.4	15.8	16.2	18.2	112
Corn sugar	3.7	4.6	4.9	5.0	5.0	4.8	96
Wheat flour 3/	118	112	112	110	110	109	99
Wheat cereals	2.8	2.9	2.9	2.9	2.9	2.9	100
Rice, milled *	6.1	7.5	8.3	6.7	7.7	7.0	91
Other:							
Coffee (green beans)	15.8	14.8	14.2	13.8	13.3	13.9	105
Tea	.59	.69	.73	.72	.77	.77	100
Cocoa beans	3.6	4.2	3.9	3.9	4.0	4.4	110
Peanuts (shelled)	4.9	5.7	5.9	5.9	5.9	6.1	103
Dry edible beans *	7.3	6.9	6.9	5.9	5.9	6.2	105
Melons *	25.8	22.3	22.7	23.3	22.7	21.9	96
Sugar (refined)	97.6	97.3	100.1	102.5	102.4	102.4	100
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Civilian population 4/	178.1	195.2	199.1	201.6	204.2	206.5	101

1/ Quantity in pounds, except for eggs. Data on calendar year basis except for dried fruits, which are on pack-year basis, fresh citrus fruits and peanuts on a crop-year basis, and rice on August 1 year. Fresh citrus year begins in previous October and rice year begins in previous August.

2/ Commercial production for sale as fresh produce.

3/ Includes white, whole wheat, and semolina flour.

4/ July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

* Data have been revised based on information from the 1969 Census of Agriculture.

There were record imports of fish last year, 29 percent more than in 1971. Imports of blocks and fillets this year probably will remain about even with the high 1972 level if U.S. importers can successfully bid for tightening supplies in world markets.

Total shellfish consumption increased during the first quarter of 1973. Sales rose 31, 13 and 11 percent respectively for shrimp, scallops, and spiney lobsters. Only American lobster sales were off, resulting from a 22 percent drop in supply. Prices were 11 percent lower for spiney lobsters and 18 percent below 1972 for large count shrimp. Price increases for most other major species ranged from 10 to 33 percent.

Poultry.—Per capita consumption of poultry meat in 1973 may be below last year's record rate. All of the decline will be in chicken while turkey consumption may hit a new high. Both the gains for turkey and the reduction for chicken will be experienced during the first half of 1973, with consumption of each about equal to 1972 levels the remainder of the year.

Broiler marketings in April-May will be around 5 percent below a year earlier. In January-March, marketings had slightly trailed 1972's record first quarter rate. Production may exceed last year's level in late summer and fall, although concern over feed costs clouds the prospects.

First half turkey meat output will be up substantially, though it will account for only a fourth of total 1973 output. Concern regarding feed costs caused 1973 poult production to lag through March. Nevertheless, second half supplies may about equal a year ago. Although turkey will face stronger competition from larger red meat supplies, primarily pork, there will be continued strong demand for turkeys for further processing.

Eggs.—Consumption this year is likely to continue downward—possibly 4 percent below the 307 eggs consumed per person in 1972, the lowest level in 3 decades.

Per capita consumption in the first quarter was below the relatively high level a year earlier. But for the remainder of the year the reductions from 1972 levels will moderate, to end the year only slightly below last year.

Egg production in the first quarter was down 7 percent. On March 1 pullets scheduled to enter the laying flock in the spring numbered only 3 percent more than a year earlier. The first quarter hatch of replacement pullets, which will enter flocks this summer, also is up 3 percent.

Dairy products.—Consumption of dairy products may increase slightly again this year. In the first quarter per capita consumption was about 1½ percent above a year earlier, but this margin will not be maintained in remaining months. Consumption of cheese, lowfat fluid milks, and frozen desserts were above a year ago in the first quarter and these items are expected to be the big gainers for the year. Butter and canned milk consumption will likely decline.

In 1972 USDA donations, including fluid milk distributed under Special Milk and School Lunch programs, were, in terms of milk equivalent, at the lowest level in 4 years. They may decline further in 1973.

Though farm milk marketings this year may be slightly lower than in 1972, imports are expected to increase. Short supplies of nonfat dry milk and cheese caused a temporary lifting of quota restrictions for these products. Imports quotas for cheese were recently increased to allow entry of an additional 64 million pounds, and 25 million additional pounds of nonfat dry milk were imported earlier this year.

At the beginning of the year stocks of dairy products were running above 1972 levels, with commercial stocks down slightly and USDA holdings (primarily butter) up. USDA purchases from the commercial market in the first quarter of 1973 were below year-earlier levels because of lower farm marketings of milk. They will likely continue lower in coming months.

Fats and oils.—Per capita disappearance of food fats and oils in calendar 1973 is estimated around 54 pounds, up about a pound from 1972. A sharp increase in cooking and salad oil use is expected to largely account for the gain, although use of shortening and margarine is expected to be up slightly. Butter consumption and direct use of lard are expected to decline.

Greater use of soybean and cottonseed oils will account for the gain this year. Lard output will be smaller, resulting in reduced export volume. The amount used for shortening and margarine manufacture may be near the 1972 level.

Fruit.—Assuming that weather will be much better than the abnormal conditions of last year, expectations are for a big increase in fruit consumption in 1973—to the highest level in over 10 years. The reduced crop of noncitrus fruit last year especially affected fresh fruit consumption which dropped 4 percent in 1972. Bolstered by abundant supplies of citrus products, processed fruit consumption declined only 1 percent.

The major increase expected in 1973 is also largely associated with the record citrus harvest which began late last year. Per capita consumption of fresh citrus may be up about 4 percent. Consumption of frozen citrus juice, the most popular of citrus products, may rise over 15 percent in 1973.

Until new crops are harvested this summer, consumption of noncitrus fruits will be restrained by lower supplies from the reduced 1972 crop. Storage stocks of fresh apples on March 1 were 18 percent below a year earlier and supplies of processed noncitrus fruits total much below any recent year.

Early 1973 strawberry output in California is

Table 7.--USDA domestic donations of commodities to schools, institutions, and needy persons, 1967-72 1/

Commodity	1967	1968	1969	1970	1971	1972 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Meat						
Beef	100.0	73.2	91.1	76.7	61.7	19.8
Pork	---	11.2	57.7	32.7	103.5	93.0
Mixtures	83.0	63.4	61.6	66.2	66.4	52.5
Total	183.0	147.8	210.4	175.6	231.6	165.3
Poultry						
Turkey	61.2	53.8	42.7	66.0	52.5	42.2
Poultry, other	51.0	73.1	59.0	78.1	75.3	116.8
Total	112.2	126.9	101.7	144.1	127.8	159.0
Eggs - dried 3/	2.1	9.1	13.7	13.1	15.9	14.1
Dairy products						
Butter	108.4	141.3	166.4	168.3	170.5	158.6
Cheese	81.2	105.2	89.5	45.6	75.0	46.0
Nonfat dry milk	108.4	107.9	111.4	89.3	61.3	43.5
Evaporated milk	---	23.3	62.4	89.2	95.4	81.8
Milk, instant fortified	---	---	.2	32.2	63.5	58.9
Milk, beverage mix	---	.1	1.9	.5	---	---
Butter oil	---	---	---	---	.5	---
Total	298.0	377.8	431.8	425.1	466.2	388.8
Fats and oils						
Lard and shortening	78.9	77.5	76.1	73.3	78.7	73.1
Margarine	24.4	3.5	---	---	---	---
Salad oil	---	---	---	24.3	23.4	26.1
Fruits						
Fresh	18.4	5.1	4.8	81.9	37.1	41.2
Canned (including juice)	78.7	113.2	184.2	249.6	229.4	240.8
Dried	35.4	29.4	41.4	43.0	28.2	20.3
Frozen	109.1	32.7	5.8	15.8	22.0	.2
Total	241.6	180.4	236.2	390.3	316.7	302.5
Vegetables						
Fresh	---	---	---	---	---	---
Canned (including juice)	48.9	111.4	197.0	178.8	144.6	88.9
Dried beans and peas	83.5	65.5	81.2	84.9	86.6	65.4
Total	132.4	176.9	278.2	263.7	231.2	154.3
Potatoes and sweetpotatoes	14.7	40.4	47.5	46.0	47.9	72.9
Cereal products						
Bulgur	5.1	5.1	4.7	4.3	3.5	3.0
Cornmeal, grits, and flour	113.4	112.2	107.8	102.8	108.4	84.2
Oats (rolled)	27.7	26.1	32.6	37.4	42.2	39.5
Rice	70.1	74.6	81.9	84.5	85.3	73.0
Wheat flour	399.0	409.6	430.6	442.1	490.6	440.4
Wheat (rolled)	21.6	21.6	17.9	16.8	13.9	6.1
Farina and macaroni	---	---	1.4	22.8	34.1	28.4
Total	637.9	649.2	676.9	710.7	778.0	674.6
Other 4/	37.1	52.5	87.2	91.8	95.1	81.1
Total all commodities	1,762.3	1,842.9	2,159.7	2,358.0	2,412.5	2,111.8
Percentage of U.S. total food consumption 5/	.9	.9	1.0	1.1	1.1	1.0

1/ Includes commodities distributed under the National School Lunch Program; excludes distribution to U.S. Territories. Data are in terms of product weight so for some items are not comparable over time.
2/ Preliminary.
3/ Beginning 1968 includes scrambled egg mix.
4/ Includes peanut butter, corn sirup, and minor amounts of other items.
5/ Based on values at 1957-59 retail prices.

Table 8.--Food distribution to schools, needy families, and institutions by type of food, 1970-72 1/

Commodity	Schools			Needy families			Institutions			Total		
	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972
Meat	3.9	5.3	3.9	3.6	4.1	3.9	---	0	0.1	7.5	9.4	7.9
Poultry	3.8	3.5	5.7	2.2	1.8	1.4	0	---	0	6.0	5.3	7.1
Scrambled egg mix	0	0	0	.6	.7	.7	0	---	0	.6	.7	.7
Dairy products	5.7	6.7	6.4	11.5	11.7	11.1	1.1	1.0	1.2	18.3	19.4	18.7
Fats and oils (excl. butter)	2.2	2.1	2.4	1.5	1.7	1.3	.4	.5	.3	4.1	4.3	4.0
Fruits and vegetables	14.7	10.7	10.2	8.4	8.2	8.3	.4	.1	0	23.5	19.0	18.5
Dried beans and peas	.9	1.0	.8	2.8	2.8	2.6	.1	.1	.1	3.8	3.9	3.5
Potatoes and sweetpotatoes	.5	.4	2.0	1.5	1.6	1.3	0	0	0	2.0	2.0	3.3
Cereal products	11.6	12.9	14.1	15.8	16.2	14.5	3.0	3.2	3.4	30.4	32.3	32.0
Peanut butter	.7	.7	.8	1.3	1.2	1.6	---	0	.4	2.0	1.9	2.8
Corn Sirup and honey	0	.1	0	1.8	1.7	1.5	0	---	0	1.8	1.8	1.5
Total	44.0	43.4	46.3	51.0	51.7	48.2	5.0	4.9	5.5	100.0	100.0	100.0

1/ Proportions of the total pounds of all foods to all recipients.

estimated up slightly from last season. But moderately reduced acreage for harvest is reported in most mid-spring and late-spring States. During January-February 1973 U.S. imports of fresh strawberries, mostly from Mexico, were substantially lower than a year ago.

Consumption of melons for the year may about equal 1972 levels. Spring acreage is about a fifth less than last year, but projected production is down only an eighth. Through March, cantaloup imports, largely from Mexico, were up 50 percent over a year ago. On the other hand, watermelon shipments from Mexico were roughly a third less.

Vegetables.—Per capita supplies of vegetables may average slightly lower in 1973 than last year. Reduced consumption of fresh vegetables is expected, and lower supplies until new crops become available likely will hold per capita consumption of processed vegetables to a 2 percent gain. Potato consumption may average about the same as in 1972, with an increase for frozen french fries expected to about match a decline in fresh use.

Acreage of 14 spring fresh vegetables is 2 percent more than a year ago, but projected production would be 2 percent less than the high-yiedling 1972 crop total. In addition, the spring onion crop in Texas is now reported less than the small 1972 output. Along with fewer onions, smaller crops of celery, lettuce, corn and cucumbers are expected. However, a sharply larger supply of tomatoes is due in May and there probably will be more carrots and cabbage as well.

Supplies of processed vegetables are smaller than last year and the smallest in several years. Stocks of canned vegetables at the beginning of the pack season last fall were slightly less than the low level a year earlier and disappearance has been heavy. Frozen vegetable stocks on April 1 were 5 percent less than a year earlier, reflecting record disappearance of leading items.

Storage stocks of potatoes are substantially smaller than last year and processing use has been heavy. The picture is mixed for the new crop. In the spring States, which include California, a 6 percent larger tonnage is expected this season, but summer acreage prospects are off slightly. Despite high prices and a relatively small 1972 crop, U.S. fall crop acreage is presently forecast only 1 percent more than 1972.

Prospective sweetpotato acreage in 1973 is again the lowest of record, 1 percent less than 1972. This is despite high prices and strong processor demand.

The 1973 dry bean acreage prospect calls for 8 percent less, as growers intend to plant more corn and soybeans which compete for dry bean acreage.

USDA Food Donations

Commodity donations to needy families, schools, and institutions declined 300 million pounds in 1972 from the record 2.4 billion donated in 1971 (table 7). These donations represented 1.0 percent of the total food consumed by U.S. civilians as compared with 1.1 percent a year earlier. Reduced participation in the Commodity Distribution Program, because of the continuing shift to the Food Stamp Program, accounted for most of the reduction. Commodity donations to schools were off 5 percent; quantities to institutions were unchanged.

The value of commodity donations, measured in constant dollar terms, dropped 10 percent. Except for poultry meat and potatoes, donations of all major commodity classifications declined. Red meat donations were off 30 percent from the high level in 1971, but this drop was offset by a substantial increase for poultry. Sharp declines in donations of dried fruit and frozen citrus concentrate far outweighed a large increase for canned items, in total a 15 percent drop for all fruit donations. Canned vegetable donations were cut over a third. Relatively small declines were registered for grains and fats and oils donations.

Needy families received 48 percent of the total commodity donations in 1972 as compared with 52 percent a year earlier (table 8). Monthly participation in the family commodity program averaged 16 percent lower. Although the total poundage of food donated declined 17 percent, the equivalent market value was higher. The package of foods received by families contained relatively more meat, eggs, dairy products, and fruits (primarily canned juice) and less poultry and grain products than in 1971.

While money donated to schools for local food procurement was up over a fourth, direct Federal commodity donations were 5 percent less than in 1971. The composition of the package directly donated changed somewhat. There was proportionately less meat, dairy products, and vegetables but more poultry, potatoes and grain products than a year earlier.

As in 1971, institutions received about 5 percent of all commodities donated. The quantity donated and the item selection were about the same. Over 60 percent of the poundage donated to institutions was cereal products and over 20 percent dairy products; most of the remainder was fats and oils. Somewhat more meat products were supplied in 1972 than a year earlier.

SUPPLY AND UTILIZATION

The total net utilization of food commodities advanced over 3 percent in calendar year 1972. compared with a less than 2 percent increase in 1971 (table 9).[1] Most of the rise was accounted for by a 9

[1]Net utilization excludes seed and feed uses to avoid duplication in total use.

Table 9.--Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1967-72 1/

Year	Supply			Total annual utilization	Utilization					
					Domestic					Exports and shipments 4/
					Food		Non-food		Total	
	Production	Imports 2/	Stocks 3/		Civilian	Military	Seed and feed	Other		
	A.--All food commodities indexes: (1967=100) 5/									
1967	100.0	100.0	100.0	100.0	100.0	100.0	---	100.0	100.0	100.0
1968	100.3	111.7	109.1	102.1	102.5	97.9	---	101.6	102.3	100.5
1969	100.7	101.2	116.5	102.6	104.3	83.4	---	101.9	103.8	93.3
1970	98.4	105.1	120.7	105.7	105.7	70.3	---	91.6	104.5	114.1
1971	108.0	110.8	111.8	107.7	108.7	62.9	---	89.0	107.1	111.6
1972 6/	104.4	115.1	123.4	111.1	109.7	51.0	---	89.9	107.8	134.9
	Livestock food commodities (1967=100)									
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	100.6	109.3	128.8	102.1	102.2	99.6	96.7	103.1	102.0	106.2
1969	100.9	114.2	112.0	102.6	103.1	85.1	100.0	102.3	102.6	104.2
1970	103.6	125.0	96.8	104.8	105.8	71.6	102.0	96.1	104.7	109.1
1971	106.3	116.9	106.9	107.6	108.7	61.8	100.5	89.9	107.1	128.6
1972 6/	105.8	135.1	102.4	107.9	109.4	49.5	101.8	89.0	107.5	121.9
	Crop food commodities (1967=100)									
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	101.6	112.1	107.9	102.9	103.0	90.8	105.0	100.8	103.6	99.7
1969	103.8	98.3	116.7	105.3	107.2	76.9	110.2	101.7	107.9	91.7
1970	98.1	100.6	121.8	109.3	105.7	65.4	114.1	89.3	108.1	114.8
1971	113.3	109.3	112.1	110.8	108.8	67.2	117.4	88.5	111.1	109.2
1972 6/	111.6	110.1	124.4	120.3	110.4	56.5	128.8	90.4	116.6	136.7
	B.--All food commodities: Percentage of annual utilization 5/									
1967	93.0	10.3	-3.3	100.0	83.4	1.9	---	2.8	88.1	11.9
1968	91.3	11.3	-2.6	100.0	83.7	1.8	---	2.7	88.2	11.8
1969	91.3	10.2	-1.5	100.0	84.8	1.5	---	2.8	89.1	10.9
1970	86.6	10.3	3.1	100.0	83.5	1.2	---	2.4	87.1	12.9
1971	93.3	10.6	-3.9	100.0	84.2	1.1	---	2.3	87.6	12.4
1972 6/	87.4	10.7	1.9	100.0	82.3	.9	---	2.3	85.5	14.5
	Livestock food commodities: Percentage of annual utilization									
1967	97.5	3.3	-.8	100.0	91.9	2.3	2.1	1.4	97.7	2.3
1968	96.0	3.5	.5	100.0	91.9	2.3	2.0	1.4	97.6	2.4
1969	95.9	3.7	.4	100.0	92.2	1.9	2.1	1.4	97.6	2.4
1970	96.3	3.9	-.2	100.0	92.7	1.6	2.0	1.3	97.6	2.4
1971	96.3	3.6	.1	100.0	92.8	1.3	1.9	1.2	97.2	2.8
1972 6/	95.7	4.1	.2	100.0	93.2	1.1	1.9	1.2	97.4	2.6
	Crop food commodities: Percentage of annual utilization									
1967	90.4	14.6	-5.0	100.0	44.6	.7	33.1	3.3	81.7	18.3
1968	89.2	15.9	-5.1	100.0	44.6	.6	33.8	3.2	82.2	17.8
1969	89.4	13.6	-3.3	100.0	45.6	.5	34.7	3.2	84.0	16.0
1970	84.1	13.4	5.5	100.0	43.1	.4	34.5	2.7	80.7	19.3
1971	92.4	14.4	-6.8	100.0	43.8	.4	35.0	2.7	81.9	18.1
1972 6/	83.9	13.3	2.8	100.0	41.0	.3	35.4	2.5	79.2	20.8

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis. Includes essentially all commodities having any U.S. food use. For list of food commodities, see NFS 124 (May 1968) page 15; for comparable data for 1950-64, see NFS 136, (May 1971) pp. 20-22. 2/ Includes shipments from U.S. Territories. 3/ Farm (other than live animals), commercial, and Government program holdings. Section A: January 1; derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes. Negatives indicate stock increases; positives signify withdrawals. 4/ Includes shipments to U.S. Territories. 5/ Feed and seed omitted from total commodities to avoid double counting of use through livestock. 6/ Preliminary.

percent jump for crop food commodities largely because of a 21 percent jump in exports. There was little change in the utilization of livestock food products in 1972.

Civilian Food Use Up Slightly

Total domestic food use increased less than 1 percent in 1972, compared with nearly 3 percent in 1971. A near 1 percent increase in civilian food use was partly offset by a 19 percent drop in military purchases. Civilian food use of crop food commodities increased less than 2 percent, while food use of livestock food commodities increased only fractionally.

Nonfood use of farm food commodities (other than feed and seed) increased a little over 1 percent in 1972. All of the increase came from a 2 percent rise in nonfood use of crop products. Nonfood use of livestock products (other than feed and seed) declined over 1 percent last year.

Military Purchases Decline Again

The volume of farm food commodities used by the military declined 19 percent in 1972 to the lowest level since before World War II. The military share of total utilization shrank from 1.1 to 0.9 percent.

The decline in volume was accompanied by a one-fifth drop in value of purchases through central procurement facilities (table 10). Nearly all major food groups contributed to the cutback in military food buying. Fish, eggs, and fresh fruit were the only groups where volume increased significantly.

In 1973, military buying may again average lower than in 1972, though the decline may be smaller. And any drop in volume will likely be offset by higher food prices, so that the drop in value of purchases will probably decline less than the volume (and may even increase).

Exports Up Sharply

Exports of farm products jumped a fifth last year. All of the gain came from a near one-fourth leap in crop food exports, which accounted for nearly 90 percent of total farm food exports last year. Most of the increase in crop food exports came in wheat, rice, corn, grain sorghum, and fruit and vegetable products.

Wheat exports (including the wheat equivalent of flour exports) rose nearly 30 percent. Rice exports increased over a fifth. Corn exports leaped over 70 percent in 1972. Grain sorghum exports were up over a third.

Other food crops whose exports increased last year include apples, up nearly a fifth; fresh citrus, over a third; canned fruit, increasing 13 percent; and frozen fruits and fruit juices, 11 percent. Exports of certain vegetable items also increased last year including fresh vegetables (excluding melons) up 17 percent, canned vegetables, increasing over a fifth; frozen vegetables, one-half; and potatoes, up 30 percent.

Exports of livestock products declined over 5 percent last year, led by drops for butter and nonfat dry milk. In terms of whole milk equivalent, dairy exports dropped over a fourth. Exports of beef and veal, pork, chicken meat, turkey and eggs all increased last year, but not enough to offset the drop in dairy exports.

Production Slipped Last Year

Production of several important crop food commodities declined last year. Wheat output was off 5 percent and corn 3 percent, while sorghum production declined 6 percent. Partially offsetting were increases in rice production, up 2 percent; sugar, up 4 percent; and soybeans and peanuts, both up about 9 percent.

Most of the decline in livestock food production last year came from an 8 percent decline in pork production. Beef production was up nearly 2 percent; chicken more than 4 percent; turkey, 7 percent; while overall milk production increased 1.5 percent. Cheese production which accounts for a fifth of total milk use increased nearly 10 percent. Production of ice cream and other frozen dairy desserts which account for about a tenth of total milk use increased 2 percent.

Imports Rose

One offset to lower production last year was a 4 percent increase in food commodity imports, but since imports traditionally only supply about 10 percent of food commodities for utilization, the total impact was relatively small. The gain however was in livestock products. Imports of livestock food products rose around 16 percent. Beef imports were up 14 percent; pork, 11 percent; and cheese imports up 32 percent to lead the way. Overall crop food imports barely changed from the 1971 level.

Ample Stock Levels Were A Cushion

At the beginning of 1972 stocks of farm food commodities were at record levels, more than a tenth higher than at the beginning of 1971—reflecting the bountiful harvest of 1971. These ample stock levels partly cushioned the impact of lower production and allowed the record utilization last year.

Total farm food stock levels on last January 1, were nearly 5-percent lower than a year ago. Crop food stocks were 4 percent less plentiful, while livestock food stocks declined 8 percent.

Table 10.--Military food procurement, by quarters, 1971 and 1972 1/

Item	1971					1972				
	I	II	III	IV	Year	I	II	III	IV	Year
	Million pounds									
Meat: 2/										
Beef and veal	104	147	81	94	426	91	95	62	70	318
Pork	47	67	25	30	169	33	34	22	32	121
Other	1	2	1	1	5	1	1	0	1	3
Fish 3/	5	7	4	13	29	5	16	7	9	37
Chicken and turkey 4/	26	35	28	28	117	24	26	22	22	94
Eggs 5/	17	29	16	17	79	11	18	19	36	84
Dairy products 6/	---	---	---	---	2,071	---	---	---	---	1,763
Fats and oils	19	30	20	25	94	17	19	18	14	68
Fruits:										
Fresh	37	47	35	40	159	47	42	38	47	174
Processed	31	62	64	24	181	28	35	52	31	146
Vegetables:										
Fresh	159	152	120	119	550	109	105	121	127	462
Processed	49	55	81	96	281	61	81	63	51	256
Cereal products:										
Wheat flour 7/	19	30	16	20	85	4	13	11	14	42
Other cereal products	23	41	6	13	83	1	4	3	15	23
Sugar and sirups	21	20	29	15	85	6	18	10	11	45
Beverages 8/	4	17	14	6	41	5	7	4	4	20
Value of central procurement (millions of dollars) 9/	$165	$263	$161	$154	$743	$139	$170	$132	$150	$591
Percentage of total quantity of food used in the United States 10/	---	---	---	---	1.3	---	---	---	---	1.0

1/ Centrally procured food only, except for dairy products. Data in terms of product weight unless otherwise indicated.

2/ Carcass weight basis.

3/ Major fish and shellfish items only.

4/ Ready-to-cook basis.

5/ Shell equivalent.

6/ Milk equivalent (butter-fat basis) of all dairy products including butter. Includes locally procured items estimated by USDA.

7/ Also includes wheat flour equivalent of bakery and macaroni products.

8/ Coffee, roasted bean basis; tea, leaf basis; and beverage cocoa.

9/ Includes minor amounts of nonfood products and food items not listed above; does not include expenditures for dairy products procured locally. See 10/.

10/ Derived from data in the supply and utilization tables computed by Economic Research Service; U.S. Agriculture. Quantities valued at 1957-59 prices.

Outlook for 1973: Supplies Expected Up

Under optimal weather conditions production of farm food products (net of feed and seed use) is expected to be up considerabely this year, perhaps as much as 6 percent larger than a year ago. Production of livestock food products is expected to total about 1 percent more this year than in 1972.

Meat supplies are likely to total slightly larger this year, with beef leading the way. While only a fractional increase may occur for pork on a calendar year basis, larger pig farrowings this spring are expected to result in larger slaughter in second half 1973. Total milk production this year may not match last year's level. However, production of cheese and ice cream and similar products will probably exceed last year's level. Turkey production most likely will increase, but chicken production may not change much, and egg production will likely decline.

Based on farmers' reported intentions, and other preliminary indications, crop food output could increase as much as 9 percent. More production is in prospect for most major crops. (table 11). Only crops of sugar beets, and fresh market vegetables seem likely to decline. Production of wheat, soybeans, rice, corn, sorghum, and dry beans, may rise sharply this year.

Because of anticpated larger farm food production prospects, new supplies are expected to be larger than utilization unless adverse weather prevents realization of production increases. Thus, food stock levels at yearend 1973 will probably rise.

Actual plantings may well change substantially from March intentions due to adverse weather and changes in Government programs. Extremely wet soil in most of the Central and Eastern part of the Country, including flooding of as much of 10 million acres of prime farmland along the Mississippi River, could seriously delay planting. And it could result in larger planted soybean acreage than originally intended if the flooded farmland does not dry out soon enough to plant other crops. Despite the severity of the recent floods and wet weather total crop production could still exceed last year's level by a significant margin. However, though the wet soils and flooding may not change the overall total much from earlier intentions, there could be some changes in the mix of crops actually planted. Actual plantings of most major crops will be reported in *Crop Production,* available July 10.

Utilization Increase to Slow

Utilization of farm food commodities is expected to increase again this year. However, the prospective 2 percent increase this year is off the pace of the 3 percent rise last year.

Exports of farm food commodities are expected to increase significantly in calendar year 1973 perhaps to total 10 percent higher than in 1972, or half the rate of gain last year. Civilian food use, the dominant component of utilization, is expected to increase again this year about in line with the 1 percent increase of last year.

Manufacturer Shipments Up

The value of food and beverage manufacturer shipments increased 6 percent in 1972 over the previous year (table 12). Beverage shipments went up 8 percent and the value of food shipments 6 percent.[2] Shipments from cheese manufacturers increased 18 percent, condensed and evaporated milk manufacturers and distilleries rose 16 percent each, while shipments of frozen fruit, fruit juice, and vegetables specialties increased 12 percent. Other leaders included shipments from cocoa and chocolate manufacturers and bottled and canned soft drinks, each increasing 10 percent, and shipments of malt liquor, 9 percent.

The value of manufacturer shipments for 12 food and vegetable manufacturers each increased between 2 and 3 percent in 1972. The more important were fluid milk, bread and other bakery products, canned fruit and vegetables and preserves, flour and other grain mill products, and roasted coffee.

Rising wholesale food and beverage prices accounted for about two-thirds, and larger volume for one-third, of the increase in the commercial value of food and beverage shipments both for domestic and export use. There was considerable variation in this proportion from industry to industry.

The value of manufacturer shipments of food and beverage products may jump again in 1973, with food rising 6 percent and beverages 8 percent.[3] This presupposes higher wholesale prices of food and beverage manufacturers, and a moderately larger volume.

Foreign Trade in Agricultural Products

The dollar value of U.S. agricultural imports in 1972 increased 11 percent over 1971, and for exports, 22 percent. Agricultural exports totaled $9.4 billion in 1972; agricultural imports, $6.5 billion.

Our big import items are beef, pork, fruits (including bananas), vegetables, sugar, coffee, cocoa, tea, wines, and malt beverages, live animals, hides and skins, tobacco, and rubber and allied gums. Big export items are certain dairy products, wheat and flour, rice, soybeans and related products, feed grains, (mostly corn and sorghums), tobacco, cotton, hides and skins, and inedible tallow.

[2]Shipments include commercial value of all products sold, transferred to other plants of the same company, or shipped on consignment.

[3]Forecasts made by Economic Research Service based on projected percentage increases published in *U.S. Industrial Outlook 1973,* pp. 82 and 94, Bureau of Domestic Commerce, U.S. Department of Commerce, January 1973.

Table 11.--Farmers' planting intentions for 1973

Crop	Prospective plantings 1973	Change from January intentions	Change from 1972 planted acres
	Million acres	Percent	Percent
Food grains:			
Winter wheat	1/42.8	---	1
Durum wheat	3.05	7	17
Other spring wheat	12.3	5	22
Total	58.2	1	6
Rice	2.01	---	10
Feed grains:			
All corn	71.6	2	7
All sorghums	18.6	-3	6
Oats	20.5	1	1
Barley	11.0	9	4
Total	121.7	1	6
Soybeans	53.8	10	14
Sugar beets	1.39	---	-2
Peanuts	1.54	---	1
Potatoes:			
Winter and spring 2/	.11	---	---
Summer and fall	1.20	---	1
Total	1.31	---	1
Dry beans	1.36	---	8
Vegetables:			
Processing 3/	1.81	---	8
Fresh 4/	.527	---	-10
Total	2.34	---	3

1/ Acreage seeded on December 1. 2/ Based on acreage for harvest as of April 1. 3/ Lima beans, snap beans, sweet corn, green peas, spinach (winter) and tomatoes, beets and cucumbers for pickles. 4/ Includes fresh market vegetable data for winter and spring.

Sources: Statistical Reporting Service; April 1 intentions for vegetables; March 1 intentions for other crops.

Table 12.--Value of shipments for specified food and beverage industries, selected years, 1960-73

Industry	1960	1965	1968	1969	1970	1971	1972 1/	1973 1/	Change 1972-73 1/
	Million dollars								Percent
Nonalcoholic beverages:									
Roasted coffee	1,971	2,090	2,123	1,879	2,093	2,060	2,120	2,182	3
Canned and bottled soft drinks	1,806	2,505	3,554	3,748	4,178	4,323	4,756	5,231	10
Flavorings	548	837	1,146	1,169	1,347	1,380	1,477	1,580	7
Total	4,325	5,432	6,823	6,796	7,618	7,763	8,353	8,993	8
Alcoholic beverages:									
Malt liquor	2,180	2,497	3,131	3,391	3,799	4,118	4,488	4,892	9
Wines and brandy	279	396	446	518	596	746	865	1,004	16
Distilled liquor 2/	927	1,288	1,515	1,538	1,567	1,538	1,615	1,696	5
Total	3,386	4,181	5,092	5,447	5,962	6,402	6,968	7,592	9
Total beverages	7,711	9,613	11,915	12,243	13,580	14,165	15,321	16,585	8
Meat and poultry products:									
Meat packing plants	11,828	13,909	16,285	17,039	17,316	17,943	19,018	20,162	6
Sausage and other prepared meat products	2,008	2,323	3,097	2,946	3,269	3,330	3,531	3,740	6
Poultry and small game dressing and packing, wholesale, including processed eggs	2,054	2,490	3,071	3,336	3,293	3,288	3,488	3,695	6
Total	15,890	18,722	22,453	23,321	23,878	24,561	26,037	27,597	6
Dairy products:									
Creamery butter	1,108	943	1,007	822	705	792	805	820	2
Cheese, natural and processed	994	1,325	1,784	1,810	2,048	2,375	2,803	3,335	19
Condensed and evaporated milk	936	1,050	1,259	1,494	1,475	1,590	1,844	2,157	17
Ice cream and frozen desserts	1,048	1,085	1,092	1,335	1,343	1,389	1,416	1,452	3
Fluid milk and related products	6,763	7,185	8,035	6,871	6,853	6,993	7,133	7,311	3
Total	10,849	11,588	13,177	12,332	12,424	13,139	14,001	15,075	8
Canned, frozen, preserved, packaged:									
Canned and cured seafoods 2/	401	492	593	484	465	508	525	550	5
Fresh or frozen packaged fish 2/	328	464	618	645	651	767	825	875	6
Canned specialties 2/	989	1,368	1,572	1,364	1,448	1,581	1,675	1,780	6
Canned fruits, vegetables, preserves, jams and jellies 2/	2,516	2,982	3,654	3,481	3,379	3,569	3,685	3,803	3
Pickles, sauces and dressings 2/	630	784	854	912	994	1,070	1,175	1,273	8
Frozen fruit, fruit juices, vegetables, specialties 2/	1,207	1,816	2,299	2,489	2,628	2,792	3,113	3,384	9
Dehydrated fruits, vegetables, and soup mixes	289	364	439	481	499	552	560	575	3
Total	6,360	8,270	10,029	9,856	10,064	10,839	11,558	12,240	6
Cereal and bakery products:									
Flour and other grain mill products	2,240	2,146	2,383	2,299	2,377	2,429	2,502	2,602	4
Cereal breakfast foods	483	707	817	793	822	868	890	915	3
Rice milling	316	457	557	584	556	504	525	550	5
Flour mixes and refrigerated doughs, not made in flour mills	328	489	550	557	536	578	590	610	3
Macaroni, spaghetti, and noodles	195	238	306	285	282	293	300	310	3
Bread and other bakery products, except cookies and crackers	4,333	4,709	5,235	4,656	4,721	4,830	4,975	5,174	4
Cookies and crackers	1,051	1,236	1,421	1,442	1,531	1,610	1,707	1,810	6
Total	8,946	9,982	11,269	10,616	10,825	11,112	11,489	11,971	4
Fats and oils:									
Soybean oil mills	1,133	1,732	1,919	1,688	2,166	2,352	2,493	2,643	6
Cottonseed oil mills	443	555	361	371	358	376	390	410	5
Other vegetable oil mill products	332	266	245	241	226	273	285	300	5
Animal and marine fats and oils	318	669	515	785	1,009	1,037	1,065	1,100	3
Shortening, table oils, margarine, and other edible fats and oils	1,052	1,489	1,706	1,695	1,962	2,151	2,258	2,371	5
Total	3,278	4,711	4,746	4,780	5,721	6,189	6,491	6,824	5
Sugar and sweeteners:									
Sugarcane mill products	200	294	383	343	352	401	435	480	10
Cane sugar refining	1,068	1,182	1,425	1,421	1,573	1,629	1,695	1,771	4
Beet sugar factories	410	531	620	661	719	779	820	865	5
Wet corn milling	566	680	781	697	728	753	790	850	8
Total	2,244	2,687	3,209	3,122	3,372	3,562	3,740	3,966	6
Confectionery:									
Candy and other confectionery products	1,318	1,583	1,989	1,971	2,133	2,186	2,273	2,387	5
Chocolate and cocoa products	451	453	556	636	641	676	740	810	9
Chewing gum and chewing gum base	200	260	318	335	346	369	388	410	6
Total	1,969	2,296	2,863	2,942	3,120	3,231	3,401	3,607	6
Other food and kindred products (except beverages)	1,555	2,062	2,604	2,932	3,305	3,486	3,675	3,900	6
Total food, excluding beverages	51,091	60,318	70,350	69,901	72,709	76,119	80,392	85,180	6
Total foods and beverages	58,802	69,931	82,265	82,144	86,289	90,284	95,713	101,765	6

1/ Data for 1972 and 1973 are forecasts made by Economic Research Service based on projected percentage increases published in U.S. Industrial Outlook 1973, pp. 82 and 94, Bureau of Domestic Commerce, U.S. Dept. of Commerce, January 1973. 2/ Value of production.

Source: Bureau of the Census, Department of Commerce, Annual Survey of Manufactures, Value of Product Shipments: 1971, M 71 (AS)-2, March 1973; Annual Survey of Manufactures, Industry Profiles: 1970, M 70 (AS)-10, June 1962.

SUGAR

Per capita sugar consumption which totaled 102 pounds per year (refined basis) during 1970-72, may decline this year. But the use of sugar substitutes, especially high-levulose corn sirup, may be increasing. Production of U.S.-grown sugar will probably be greater this year with increased cane production in Louisiana and Florida and the opening of a new cane sugar mill in Texas this fall more than offsetting a small decline in sugar beet production. However, world sugar supplies are likely to remain tight. Domestic sugar prices are expected to continue to increase this year.

Changing Consumption Trends for Sweeteners

Per capita sugar consumption totaled 102 pounds last year, and remained at the high level of 1970 and 1971 assuming a slight depletion of invisible stocks (table 13). Actual sugar deliveries last year were virtually the same as 1971. Sugar deliveries changed relative to the same quarter the previous year, declining from a 2.5 percent increase in the first quarter of 1972 to a 4.2 percent decline in the fourth quarter.

Historically sugar deliveries have trended upward in line with population growth. Earlier it had appeared that the decline in sugar deliveries during last year's fourth quarter probably reflected a considerable decline in the "invisible" stocks held by wholesalers, retailers and industrial users. However, more recent data available on corn sirup deliveries suggest the decline in sugar deliveries in late 1972 may reflect the impact of high-levulose corn sirup—a new product which became available in commercial quantities only recently.

Data concerning deliveries of high-levulose corn sirup are included in the data for total corn sirup deliveries which increased 12.5 percent last year over 1971. This compares with an increase of 6 percent in 1971 and about 2 percent per year during 1967-70. The large increase in corn sirup deliveries in 1972 was in part a substitution of corn sirup for dextrose since dextrose deliveries declined 7.5 percent in 1972. In 1971, before high-levulose corn sirup was marketed in substantial quantities, dextrose deliveries increased 8 percent. All in all, the decline in dextrose deliveries last year coupled with virtually no increase in sugar deliveries and a sharp increase in corn sirup deliveries may indicate a significant shift to high-levulose corn sirup.

U.S. Production—Up Overall

Production of U.S. grown sugar is expected to increase overall this coming year. Planted cane acreage in Florida and Louisiana has been expanded by nearly 7 percent. However, plantings of sugar beets may be down about 2 percent, according to growers' intentions.

World Situation Continues Tight

Beginning 1972/73 world stocks for 46 major producing countries (excluding Cuba and the U.S.S.R.) totaled 12.1 million short tons (raw value); this is about the same as for 1971/72 but down from 14.1 million tons in 1970/71. Sugar production during 1972/73 was estimated at 82 million short tons (up from 77.8 million the previous crop year) last fall, but present indications are that Cuban and Soviet sugar production are at least 1 million tons less than previously estimated. World consumption has continued to increase and appears also to continue to exceed world production. This implies a further drawdown in world stock levels at the beginning of the 1973/74 season.

Reflecting this currently tight world market situation, the world price increased from $4.53 per hundredweight in calendar year 1971 to $7.43 in 1972. For the first quarter of 1973, the world price average was $9.12 per hundredweight.

Current high world prices will probably stimulate some expansion in the upcoming 1973/74 crop. Daily milling capacity in most countries doesn't appear to be a limiting factor, at least for the next year or two. Even if it were, annual sugar output from most plants can normally be expanded 5 to 10 percent by extending the campaign (processing season). Moreover, the current high price level may induce those areas capable of larger acreage to expand milling capacity in existing plants or build some new plants. Finally, current high world prices could slow the uptrend in world consumption more than presently anticipated. If this occurs, then future stock levels will be somewhat higher than now anticipated.

Since last December, sugar destined for the U.S. market has sold for less than world market sugar. Normally the opposite is true. Countries holding supply quotas under the U.S. Sugar Act continue to fill them, nevertheless. They are foregoing short-term profits in the interest of maintaining their stake in the normally higher-priced U.S. market.

U.S. Sugar Prices—Up

The U.S. raw sugar price averaged $9.09 per hundredweight (New York spot) last year, up 57 cents (6.7 percent) from calendar year 1971 (table 14). Wholesale refined sugar prices also increased last year, but the 3.5 percent increase was less than for raw sugar, as U.S. refiners presumably absorbed some of the increase in raw product costs. Beet sugar

Table 13.--U.S. population, sugar, and corn sweeteners; deliveries and per capita consumption, 1960-72

Period	U.S. population 1/	Total deliveries					Per capita consumption				
		Refined sugar 2/	Corn sweeteners 3/			Total	Refined sugar	Corn sweeteners 3/ 4/			Total
			Corn sirup	Dextrose	Total			Corn sirup	Dextrose	Total	
	Mil.	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Lb.	Lb.	Lb.	Lb.	Lb.
1960	180,671	8,779	839	313	1,152	9,931	97.6	8.1	3.4	11.5	109.1
1961	183,691	8,944	863	317	1,180	10,124	97.8	8.5	3.4	11.9	109.7
1962	186,538	9,303	960	339	1,299	10,602	97.3	9.2	3.6	12.8	110.1
1963	189,242	9,203	1,027	397	1,424	10,627	96.7	9.9	4.1	14.0	110.7
1964	191,889	9,194	1,141	398	1,539	10,733	96.6	10.9	4.0	14.9	111.5
1965	194,303	9,346	1,158	406	1,564	10,910	96.6	11.0	4.1	15.1	111.7
1966	196,560	9,601	1,195	417	1,612	11,213	97.6	11.2	4.2	15.4	113.0
1967	198,712	9,623	1,221	372	1,593	11,216	97.3	11.3	4.2	15.5	112.8
1968	200,706	10,020	1,244	381	1,625	11,645	100.1	11.9	4.3	16.2	116.3
1969	202,677	10,123	1,267	401	1,668	11,791	100.1	12.4	4.5	16.9	117.0
1970	204,879	10,457	1,291	456	1,747	12,204	102.5	12.7	4.6	17.3	119.8
1971	207,049	10,618	1,367	492	1,859	12,477	102.4	13.0	4.6	17.6	120.0
1972	208,837	10,635	1,538	455	1,993	12,628	102.4	14.6	4.4	19.0	121.4
I	208,255	2,491	323	105	428	2,919	24.0	3.1	1.0	4.1	28.1
II	208,628	2,672	371	121	492	3,164	25.7	3.5	1.2	4.7	30.4
III	209,053	3,035	468	123	591	3,626	29.2	4.4	1.2	5.6	34.8
IV	209,508	2,437	376	106	482	2,919	23.5	3.6	1.0	4.6	28.1

1/ Total population including armed forces overseas.
2/ Excludes deliveries in Hawaii.
3/ Dry basis.
4/ Civilian per capita consumption.

Source: Population Bureau of the Census; total deliveries, Sugar Report; per capita consumption, Economic Research Service.

Table 14.--U.S. sweeteners and beverages: Selected prices, 1972 and 1973

Commodity	1972					1973	
	Year	I	II	III	IV	I	Change from 1972
	Cents per pound 1/						Percent
Sugar							
Raw:							
New York, duty paid	9.09	9.09	8.81	9.30	9.18	9.32	2.5
World, f.o.b. Caribbean	7.43	8.53	6.96	6.30	7.92	9.12	6.9
Quota premium 2/	+.56	-.51	+.76	+1.88	+.08	-1.11	-117.6
Refined:							
Wholesale:							
Northeast, cane 3/	13.09	12.94	13.20	13.20	13.01	13.09	1.2
Chicago-West, beet or cane 3/	11.82	11.83	11.90	11.90	11.65	11.62	-1.8
Pacific Coast, beet or cane 3/	11.65	11.40	11.70	11.70	11.79	11.53	1.1
Bulk, dry beet, f.o.b. plant 4/	10.59	10.29	10.62	10.65	10.82	10.77	4.7
Retail, U.S.: 5-pound package	13.90	13.82	13.92	13.86	14.02	14.23	3.0
Corn sweeteners							
Wholesale, Chicago:							
Corn sirup 4/	4.52	4.65	4.46	4.57	4.38	5.04	8.4
Dextrose 4/	10.00	10.00	10.00	10.00	10.00	10.00	---
Cocoa and chocolate							
Wholesale, New York:							
Cocoa beans, "Accra"	32.3	26.9	30.0	34.5	37.7	39.7	47.6
Cocoa butter	72.2	60.9	65.8	76.8	85.4	91.5	50.2
Retail, U.S.:							
Chocolate bar (1-oz.) 5/	6.7	6.7	6.7	6.7	6.7	6.7	---
Chocolate sirup (16-oz. container)	25.2	25.5	25.3	24.9	25.0	25.3	-.8
Coffee							
Wholesale, green, New York:							
Colombian, Manizales	57.1	51.5	53.0	62.2	61.5	71.7	39.2
Mexican washed	50.5	46.5	47.3	55.2	53.0	63.3	36.1
Brazilian, Santos No. 4	52.5	44.9	47.6	60.8	56.7	61.5	37.0
Robusta, Ambriz No. BB	42.7	42.5	43.3	46.2	46.8	48.8	14.8
Retail, U.S.:							
Roasted, can	92.7	92.1	91.8	92.4	94.7	97.9	6.3
Roasted, bag	74.5	73.1	72.8	73.7	78.5	79.7	9.0
Instant soluble (6-oz. jar) 5/	109.3	110.2	109.9	108.2	108.9	111.9	1.5
Tea							
Wholesale, black, New York	50.7	51.4	53.0	49.9	48.4	47.8	-7.0
Retail, package of 48 tea bags 5/	64.9	64.0	65.0	65.2	65.5	65.5	2.3
Soft drinks							
Wholesale, cola drinks (Index, 1967=100)	126.3	124.2	126.7	126.9	127.3	127.3	2.5
Retail:							
Cola drinks (6 12-oz. bottles) 5/	83.3	82.8	83.0	83.3	84.1	84.6	2.2
Carbonated fruit drink (6 12-oz. bottles) 5/	73.2	72.6	72.8	73.3	74.0	74.3	2.3

1/ Except as noted. 2/ Difference between New York and world prices, adjusted to exclude about 1 cent for duty computed freight from Greater Caribbean ports (including Brazil), insurance, and unloading charges. 3/ Basis price, 100 lb. paper bags, carload lots. 4/ Carload lots, dry basis. 5/ Cents per unit.

Source: Sugar prices (except bulk, dry, refined beet, f.o.b. plant and U.S. average retail--BLS data) from Sugar Reports; wholesale cocoa and cocoa butter prices from Journal of Commerce; all other data from Bureau of Labor Statistics.

prices are related to cane sugar prices by competitive forces and by beet-grower/processor contracts. U.S. retail prices also increased last year (2.2 percent), but the annual increase was also less than the raw sugar price.

The increase in sugar prices is expected to continue during 1973 at approximately the 1972 rate. The April raw price level of $9.65 per hundredweight is consistent with anticipated higher U.S. sugar prices this year. Wholesale and retail refined sugar prices will probably increase in the near future to reflect at least a part of the recent increase in raw sugar prices.

Because of the temporary weakness in the raw sugar price in February, the Secretary of Agriculture was compelled under the provisions of the Sugar Act to reduce the previous determination of 1973 sugar requirements in the Continental United States from 11.7 to 11.5 million short tons, raw value. To provide for a constant per capita sugar consumption, for the usual small refining loss, and for some use of quota sugar in the manufacture of products to be exported under current price conditions, this requirements determination is tight. It can only be increased after the raw sugar price has exceeded the price objective of the Sugar Act by at least 4 percent for 7 consectutive marketing days.

International Sugar Agreement Negotiations

On May 7, an international sugar conference began in Geneva under the auspices of the United Nations Conference on Trade and Development. Its purpose is to negotiate a new agreement to take effect upon expiration of the one at the end of this year. Although the United States does not adhere to the present International Sugar Agreement, it participates in the negoiations as a member of the United Nations.

COFFEE

1972/73 Crop Up Slightly

The 1972/73 world coffee crop (October-September) is now estimated at 72.3 million bags (132.3 pounds each) by the Foreign Agricultural Service. This is fractionally larger than the 1971/72 crop which was a fifth larger than the short 1970/71 crop. Exportable production (total harvested production less estimated consumption in producing countries) may total about 53.0 million bags, about the same as in 1971/72. World exports are expected to total 53 to 54 million bags, marking the seventh consecutive year in which world exports have exceeded exportable production, and thus cause a drawdown in stocks.

Production in 1973/74 may fall about 10 percent due to an expected major drop in the Brazilian crop. As a result, a drawdown in world stocks seems likely again in the 1973/74 crop year.

Coffee: World production and imports, 1967-72

Crop year beginning October	World production	Exportable production[1]	World exports[2]
	Mil. bags.[3]	*Mil. bags*[3]	*Mil. bags*[3]
1967	68.6	51.7	54.0
1968	61.1	43.4	52.9
1969	66.4	48.1	53.9
1970	58.3	40.1	50.1
1971	71.7	52.9	57.4
1972	72.3	53.0	53.5[4]

[1] Represents total production minus consumption in producing countries. [2] Data from International Coffee Organization. [3] 132.3-pound bags. [4] Estimated.

Source: Foreign Agriculture Service.

International Developments

This April, the 62 member International Coffee Council, which includes both consuming and producing countries, voted to extend the International Coffee Agreement (ICA) 2 years beyond its scheduled expiration date of September 30, 1973 to September 30, 1975. However, all import quotas and limitations, indicator prices, and import-export control mechanisms were eliminated for the first time in 11 years.

Thus, for the first time since September 1962, the International Coffee Market is free of formal restraint. However, some large producing countries, among them Brazil, Columbia, Ivory Coast and Portugal (representing Angola) are currently attempting to form a producer's controlled marketing company to maintain world prices by purchasing surplus coffee in the world.

U.S. Imports

First quarter 1973 green bean imports were up 1 percent from first quarter 1972 imports. Roasted imports will probably equal or exceed last year's level and similarly for imports of instant coffee.

Coffee Prices Up

First quarter 1973 green coffee prices increased several cents per pound over fourth quarter levels (table 14), reflecting the large increase in world exports that occurred during the 1971/72 marketing year, continued heavy demand, and the prospective smaller crop to be harvested in 1973/74.

Retail coffee prices are just beginning to reflect the substantial increase in green coffee prices. First quarter retail prices for both regular and instant were up several cents per pound over 1972 fourth quarter levels. Since retail prices tend to lag green coffee prices by 6 to 9 months, retail coffee prices are expected to further advance during the second and probably into the third quarter.

TEA

Tea imports this year are expected to exceed last year's 151 million pound level. First quarter imports of 45 million pounds were up 13 percent from last year's first quarter level.

Wholesale tea prices (India-Ceylon composite—New York spot) averaged 48 cents per pound in the first quarter this year, only fractionally less than in last year's fourth quarter, but down 7 percent from the first quarter a year ago. However, retail tea prices averaged 66 cents per package (48 tea bags) in first quarter 1973, up fractionally from 1972 price levels (table 14).

COCOA AND CHOCOLATE

New Crop Smaller

World cocoa production in 1972/73 (October-September) is expected to total about 3.21 billion pounds, down about 6 percent from the record 1971/72 harvest.

Because of the smaller world crop and higher cocoa bean prices, world cocoa grindings in 1973 are likely to fall short of the record 1972 level. Even so, the 1973 grind will probably exceed production resulting in a modest stock drawdown, following a balanced supply-demand situation in 1972.

Cocoa beans: Production and prices

Year[1]	World cocoa bean production	New York spot price[2]	
		Cocoa beans	Cocoa butter
	Mil. lbs.	*Cents/lb.*	*Cents/lb.*
1967/68	2,980	34.4	69.3
1968/69	2,724	45.7	96.6
1969/70	3,136	34.2	69.5
1970/71	3,288	26.8	54.2
1971/72	3,433	32.3	72.2
1972/73	3,214	42.9[3]	97.3[3]

[1] Crop year (October-September). [2] Price for calendar year following the beginning of the crop year. [3] January-April 1973 only.

Source: Foreign Agricultural Service.

Cocoa Prices Continue to Rise

Cocoa bean prices averaged 40 cents per pound for the first quarter this year, while cocoa butter prices averaged 91 cents per pound, both up considerably from a year earlier (table 14). A smaller crop, larger than anticipated world grindings, low stock levels and the recent U.S. devaluation of the dollar all contribute to the present increase in cocoa bean and butter prices.

Retail prices typically are much more stable than cocoa bean and butter prices and lag wholesale price developments. There was virtually no change in the reported retail price of both the chocolate bar (1-oz.) and chocolate sirup (16-oz. container) during 1972 or first quarter 1973 (table 14). For the remainder of the year, retail prices may increase.

Other Developments

An International Cocoa Agreement negotiated last fall became effective on May 1. However, the United States does not participate in it.

THE CHANGING PATTERN OF EATING OUT

by
Corinne Le Bovit

Abstract: Expenditures for food away from home in the United States have doubled since 1960 with most of the change due to higher prices and population growth. However, the proportion of sales has been increasing at places with relatively low prices per transaction such as refreshment places, cafeterias, and vending machines and decreasing at restaurants. Americans are eating out more often but not necessarily meals.

Key Words: Food away from home, eating-out, meals purchased, public eating places, restaurants, vending machines.

Expenditures for food away home in the United States have doubled since 1960.[1] But is the average American spending more on eating out? After allowing for inflation—since the early 1960's, yes; since 1966, no.

Is he eating out more frequently? Yes, but more often from a vending machine or refreshment place and less often at a restaurant than he used to.

Is he eating more meals out? Probably, but the answer to that question turns on the definition of a meal.

Expenditures for food away home in the United States have doubled since 1960. Prices for food away from home have been increasing more rapidly than those for food at home (61 percent since 1960 for the former, 36 percent for the latter). However, in constant 1972 dollars, spending on eating out has increased by only one-fourth. Higher prices have been responsible for the rest of the increase. Also in constant dollars, per capita expenditures for food away from home have increased less than 10 percent since 1960 and all of the increase occurred during a few years in the mid-1960's. Since 1966 there has been no change (table 15).

Restaurants and lunchrooms account for the major proportion of retail sales of meals and snacks but their importance decreased between 1963 and 1967 (fig. 7.). At the same time, there was an increase in proportion of sales at cafeterias, refreshment places, and from vending machines.[2] (Refreshment places are defined as places serving a limited line of food—such as primarily pizza, hamburgers, chicken, frozen custard—and include trucks that vend prepared food.) The number of restaurants, lunchrooms, and in-store food service facilities decreased between 1963 and 1967 while numbers of cafeterias and refreshment places each increased by about a half.

The cost of the average transaction is higher in restaurants than in cafeterias or refreshment places. A study of the food service industry conducted in 1966 shows the following outlay per transaction:[3]

Separate eating place with service:	*Cents*
At tables, booths, or counters	67
Cafeteria style	56
Drive-in or carry-out	52
Food service in stores	41

Food sales from vending machines undoubtedly involve an even lower price per transaction than purchases at other places serving meals and snacks. During the 1960's over four-fifths of vending machine sales were for soft drinks, hot beverages (primarily coffee), and candy and snack items such as crackers, potato chips, pretzels, and nuts. Most of these sold for 10 or 15 cents.[4] The vending machine industry has also been undergoing change toward meal-type foods. The fastest growing portion has been in machines for canned and prepared food such as soup,

[1]Department of Commerce, Office of Business Economics.
[2]Census of Business, Retail Trade, Merchandise Line Sales.

[3]Van Dress, M. G. and Freund, W. H., *The Food Service Industry: Its Structure and Characteristics, 1966,* ERS, U.S. Dept. Agr., Stat. Bul. 416, Feb. 1968.
[4]*Vend Magazine,* Census of the Industry, 1971.

Table 15.--Personal consumption expenditures for meals away from home, 1960-72

Year	Current dollars 1/	1972 dollars	
		Total	Per capita
	Bil. dol.	Bil. dol.	Dol.
1960	13.3	21.4	119
1961	13.6	21.4	117
1962	14.1	21.6	116
1963	14.5	21.8	115
1964	15.4	22.7	118
1965	16.5	23.8	122
1966	18.2	25.1	128
1967	19.4	25.4	128
1968	20.7	25.8	129
1969	22.1	26.0	128
1970	24.0	26.2	128
1971	24.9	25.9	125
1972	26.8	26.8	128

1/ Derived from data of Department of Commerce. Assumes one-fourth of reported meals and beverages away from home is alcoholic beverages. Omits nonpersonal spending for food such as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees.

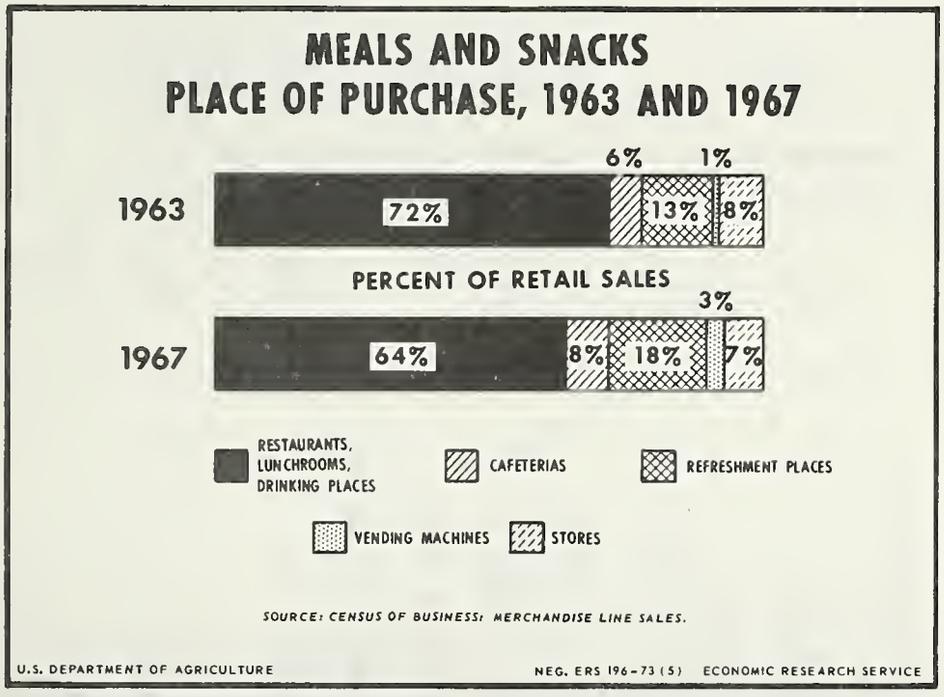

Figure 7

Table 16 .--Persons reporting purchased meals and snacks away from home, by income class and age group, one day in spring 1965 1/

Item	All places	Public eating place: Table service 2/	Public eating place: Cafeteria or lunch counter	Public eating place: Drive-in	Retail store	Recreation or amusement place	Work (employee eating place)	School
	Percent							
Family income after taxes in 1964								
All incomes	100	100	100	100	100	100	100	100
Under $3,000	10	6	6	13	13	8	6	11
$3,000 - $4,999	16	13	16	21	22	16	15	16
$5,000 - $6,999	27	22	34	33	25	26	30	29
$7,000 - $9,999	29	33	27	19	23	24	33	28
$10,000 and over	18	26	17	15	16	26	16	16
Age of persons (years)								
All ages	100	100	100	100	100	100	100	100
Under 5	5	2	0	8	9	9	0	2
6 - 11	18	5	2	14	15	19	3/	43
12 - 19	23	8	10	26	25	32	5	51
20 - 64 Men	32	49	61	27	27	24	64	2
20 - 64 Women	20	30	23	23	22	16	30	2
65 and over	2	6	4	2	2	3/	1	3/

1/ Food and Nutrient Intake of Individuals in the United States, spring 1965; Household Food Consumption Survey 1965-66, Report No. 11, unpublished data. 2/ Includes private eating places. 3/ Less than 0.5 percent.

sandwiches, entrees, salads, puddings, desserts, juices, pastries, and fruits. Between 1963 and 1970 the number of machines vending such foods more than doubled. Meanwhile, all other food-vending machines increased by only one-fourth. Such changes have likely been aided by technological developments such as easily operated microwave ovens, improved disposable serving ware, processes for canning of salads and desserts, and longer shelf-life of baked goods.

If the proportion of meal and snack sales is increasing at places with a lower price per transaction, the number of transactions per capita must be increasing even if the expenditure does not change. However, a transaction can be anything from a soft drink or a candy bar to a full-course gourmet meal. Even if the pattern of purchases on each occasion were known, the label of meal or snack could not be applied in many instances. A hamburger and beverage can be a meal for one person and a snack for another.

Who Eats Out—Where And When[5]

Some detail on who is doing the eating out and where he is eating is available from a survey of all food consumed in one day by individuals living in households in spring 1965. A little over one-fourth of the individuals reported consuming some purchased food away from home in a day.

Nearly two-thirds of the meals and snacks at employee eating places and at cafeterias were reported by men 20 to 64 years old (table 16). This same group also accounted for half of the eating occasions at places with table service. Women 20 to 64 years old reported nearly a third of the occasions at employee eating places and at places with table service. Eating at recreation and amusement places was most popular with teenagers. Drive-ins and retail stores were patronized by about the same proportions of teenagers, men, and women. Food at schools was purchased almost exclusively by those 6 to 19. Older people ate out far less often than those under 65 and, when they did, tended to choose places with table service or cafeterias.

The average amount spent per child away from home was lower than for teenagers which in turn was lower than for adults at each type of eating place except at drive-ins. Teenagers were among the largest spending groups at drive-ins. The least spread between the bill for young and old occurred at drive-ins. (This survey included only individuals living in housekeeping households. People having all or most of their meals away from home were excluded.)

Although fewer persons over 65 reported eating out, when they did they tended to spend more than younger people (table 17). They may have chosen

[5] *Food and Nutrient Intake of Individuals in the United States, Spring 1965;* Household Food Consumption Survey 1965-66, Report No. 11, unpublished data.

Table 17.--Expenditure per person reporting purchased food away from home by type of place and age group, one day, spring 1965 1/

Age of persons (years)	Public eating place: Table service 2/	Public eating place: Cafeteria or lunch counter	Public eating place: Drive-in	Retail store	Recreation or amusement place	Work (employee eating place)	School
	Dollars						
Under 5	.57	---	.31	.16	.19	---	.21
6 - 11	.91	---	.32	.19	.29	---	.21
12 - 19	1.18	.58	.45	.30	.37	.35	.29
20 - 64 Men	1.62	.77	.47	.52	.46	.40	.46
20 - 64 Women	1.75	.67	.51	.41	.59	.43	.39
65 and over	1.73	.79	.44	.51	---	.48	---

1/ Food and Nutrient Intake of Individuals in the United States, spring 1965; Household Food Consumption Survey 1965-66, Report No. 11, unpublished data.
2/ Includes private eating places.

more often to have a main meal out rather than a lunch or a snack.

As might be expected, a greater proportion of persons in high-income than in low-income families bought meals and snacks away from home. The proportion of persons in each income class reporting such purchases were:

Family income after taxes, 1964	*Percent*
Under $3,000	16
$3,000 - $4,999	23
$5,000 - $6,999	28
$7,000 - $9,999	35
$10,000 and over	39

Retail stores and drive-ins were the most popular places for persons from families with income under $5,000. Places with table service and recreation places were frequented more by those with higher incomes. Drive-ins and cafeterias were also popular with those in the middle-income range.

Vending machine sales are included with total sales, and accounted for about 3 percent of the total. Nearly three-fourths of the money spent on food from vending machines took place at work.

The most popular time for buying and eating food away from home was around noon. The next most popular time was early evening as shown by the following proportion of money spent for meals and snacks:

Time	*Percent*
5 A.M. - 10 A.M.	6
10 A.M. - Noon	11
Noon - 2 P.M.	38
2 P.M. - 4 P.M.	7
4 P.M. - 8 P.M.	25
8 P.M. - Midnight	12
Midnight - 5 A.M.	1
Total	100

35-36

2007

TOTAL CONSUMER BUYING OF FRESH VERSUS PROCESSED FOODS REMAINS STABLE

By
Alden C. Manchester

ABSTRACT: The past 2 decades have witnessed surprisingly little change in total consumption of foods according to whether they are fresh or processed. Fresh products (sorted, cleaned, or dressed) increased from 36.4 percent of total consumption expenditures (at 1971 prices) in 1952 to 38.6 percent in 1971. Products preserved but not otherwise changed decreased from 30.7 percent to 29.1 percent. Derivative products (for example, butter made from milk) decreased from 10.5 percent to 10.0 percent between 1952 and 1971. Comminuted products (manufactured products which combined several ingredients) were about the same, 22.4 vs. 22.3 percent.

KEY WORDS: Food consumption.

American consumption patterns have shown remarkable stability over nearly 2 decades for foods according to degree of fabrication.

We categorized all foods consumed in the United States, both at home and away, into four classes. The two broadest groups are generic and manufactured products. Generic products are subdivided into those which are "fresh" and those which have been preserved by heating, canning, freezing, or other means. Manufactured products are subdivided into derivative products (for example, butter made from milk) and comminuted products where several ingredients have been combined (for example, a pie, a can of pork and beans, or a frozen dinner).

Consumption expenditures were compared for these four broad categories (table 18). "Fresh" product consumption increased from 36.4 percent of total consumption expenditures (at 1971 prices) in 1952 to 38.6 percent in 1971. Fresh fruits and vegetables and shell eggs (cleaned and sorted only) declined from 18.7 percent to 16.0 percent over this period, while fresh meat, poultry, and seafood increased from 17.7 percent to 22.6 percent.

Generic products preserved by one means or another declined from 30.7 percent of food consumption in 1952 to 29.1 percent in 1971. Products such as milk that are preserved by pasteurization declined from 10.0 percent to 8.8 percent. Canned generic products changed very little, while frozen products increased from 1.8 to 2.6 percent. Dried products including coffee, tea, dried beans, and a few others declined from 5.0 to 3.9 percent.

There were declines of 0.5 percent for derivative products and 0.1 percent for comminuted products. Among comminuted products, frozen items increased sharply but constituted only 1.5 percent of the total in 1971.

All generic products combined increased slightly, from 67.1 percent in 1952 to 67.7 percent in 1971. Meanwhile, all manufactured products decreased by the 0.6 percentage point by which generic products increased.

Now let us consider food consumption patterns in another dimension, the stage of preparation. Those which are ready-to-eat declined from 47.0 to 43.0 percent of the total between 1952 and 1971. Products ready-to-cook increased from 48.5 percent to 53.7 percent. Those requiring further preparation declined from 4.5 to 3.3 percent. Ready-to-eat products include fresh fruits, salad vegetables, milk, butter, margarine, baked goods, and snacks and soft drinks. Ready-to-cook products include other fresh vegetables, meat, poultry, seafood, canned, frozen and dried vegetables, cured meats and prepared foods. Products requiring preparation include flour, shortening, and other ingredients. Obviously, many products listed in the other categories are used at times as ingredients and ready-to-eat products are sometimes cooked.

Table 18.--Value of total domestic food consumption at 1971 retail store prices, 1952 and 1971

Item	1952				1971			
	Ready-to-eat	Ready-to-cook	Preparation required	Total	Ready-to-eat	Ready-to-cook	Preparation required	Total
	Percent							
Generic products: 1/								
Cleaned, sorted	7.9	10.8		18.7	6.8	9.2		16.0
Slaughtered, dressed	—	17.7		17.7	—	22.6		22.6
Subtotal	7.9	28.5		36.4	6.8	31.8		38.6
Preserved by:								
Heating	10.0			10.0	8.8			8.8
Canning	1.4	3.6	0.8	5.8	1.9	3.5	0.3	5.7
Freezing	.5	1.3		1.8	.5	2.1		2.6
Drying		4.9	.1	5.0		3.6	.3	3.9
Curing	.4	7.7	—	8.1	.5	7.7	—	8.2
Subtotal	12.3	17.5	.9	30.7	11.7	16.9	.6	29.1
All generic products	20.2	46.0	.9	67.1	18.5	48.7	.6	67.7
Manufactured products:								
Derivative products 2/	7.2	.1	3.2	10.5	7.0	.8	2.2	10.0
Comminuted products: 3/								
Frozen		.1		.1	.1	1.4		1.5
Canned		.5		.5		.8		.8
Dried						.1		.1
Other	19.6	1.8	.4	21.8	17.4	1.9	.6	19.9
Subtotal	19.6	2.4	.4	22.4	17.5	4.2	.6	22.3
All manufactured products	26.8	2.5	3.6	32.9	24.5	5.0	2.8	32.3
Total	47.0	48.5	4.5	100.0	43.0	53.7	3.3	100.0

1/ Unchanged from the raw agricultural product except that, as for meat, the animal has been slaughtered and dressed or preserved.

2/ Derived from the raw agricultural product, e.g., butter from milk; includes few other ingredients.

3/ Manufactured products which combine several ingredients, e.g., pie, canned pork and beans, T.V. dinners.

Source: Basic data from Supermarketing magazine. Price level adjustments and classification by ERS.

Table 19.--Wholesale food price indexes and Wholesale Price Index, selected periods 1/
(1967=100)

Year and month	Farm products						Processed foods and feeds											
				Meats												All food 6/	Industrial commodities 7/	All commodities
	Eggs	Fresh and dried fruits and vegetables 2/	Total 3/	Beef and veal	Pork	Total	Poultry	Fish	Dairy	Processed fruits and vegetables 2/	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages 4/	Total 5/			
1960	122.4	99.0	97.2	95.1	86.6	91.8	116.2	81.4	86.1	92.8	88.7	88.1	90.1	92.8	89.5	92.1	95.3	94.9
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	111.4	106.6	102.5	104.2	98.5	102.2	105.8	108.1	104.8	106.5	98.1	100.9	102.8	102.8	102.2	103.4	102.5	102.5
1969	133.9	109.3	108.8	112.9	110.8	113.3	113.6	118.6	108.2	107.9	101.5	102.6	109.4	106.0	107.3	109.6	106.0	106.5
1970	126.8	111.6	111.0	114.5	111.7	115.0	113.3	125.1	111.2	110.4	111.8	107.6	115.9	112.9	112.0	113.5	110.0	110.4
1971	100.8	120.1	112.9	124.1	99.5	114.1	112.4	137.0	115.4	114.3	121.1	111.4	119.2	115.8	114.3	115.5	114.0	113.9
1972	103.7	127.6	125.0	133.4	122.1	128.5	115.8	159.5	118.6	119.7	121.2	114.7	121.6	118.0	120.8	121.8	117.9	119.1
January	92.6	124.9	117.8	134.2	114.5	124.2	108.3	156.3	117.3	116.0	121.7	112.2	120.1	116.4	117.2	118.9	115.9	116.3
February	91.9	127.5	120.7	137.1	121.4	129.5	116.2	156.2	117.5	116.1	121.1	112.4	121.1	116.8	118.8	120.8	116.5	117.3
March	107.7	112.8	119.7	134.0	111.5	124.8	117.5	160.1	118.0	116.7	120.8	112.6	121.9	116.7	118.6	119.3	116.9	117.4
April	87.2	117.6	119.1	128.9	109.1	121.3	106.5	163.8	117.5	118.3	120.7	112.8	121.1	117.2	117.7	118.0	117.3	117.5
May	90.6	120.6	122.2	133.1	115.7	125.9	109.3	155.1	117.4	119.0	120.7	113.3	120.8	117.2	118.6	119.4	117.6	118.2
June	91.9	121.7	124.0	139.6	121.4	131.1	115.1	153.1	115.3	119.5	121.5	113.3	121.3	117.8	119.6	120.7	117.9	118.8
July	102.2	129.9	128.0	139.9	129.3	134.4	127.4	157.3	117.7	119.6	121.4	113.6	122.2	117.9	121.5	123.4	118.1	119.7
August	99.3	138.9	128.2	133.4	128.1	131.4	118.1	156.2	118.6	120.2	121.5	115.3	121.3	118.9	121.0	123.3	118.5	119.9
September	114.9	138.1	128.6	130.0	127.5	129.7	122.1	159.9	119.0	120.1	121.5	116.1	121.6	119.1	121.8	123.9	118.7	120.2
October	99.1	122.8	125.5	128.3	127.8	128.7	117.1	161.2	120.0	121.8	123.2	116.9	123.5	118.8	121.8	122.3	118.8	120.0
November	123.1	141.8	128.8	124.6	122.5	124.7	116.2	169.2	121.8	123.8	121.6	118.3	121.7	119.4	123.1	124.2	119.1	120.7
December	143.9	134.6	137.5	138.0	136.1	135.7	115.7	165.7	123.0	124.7	119.2	120.1	122.1	119.7	129.4	127.3	119.4	122.9
1973																		
January	158.2	151.2	144.2	145.5	145.4	143.1	135.4	174.5	123.8	125.3	119.7	121.0	121.5	119.8	132.4	132.0	120.0	124.5
February	130.1	146.9	150.9	158.5	150.6	152.4	142.5	172.0	124.0	125.9	122.2	120.8	124.4	120.0	137.0	133.9	121.3	126.9
March	152.6	158.5	160.9	168.2	156.8	163.5	169.4	174.7	126.8	126.2	127.0	121.3	125.7	120.8	141.4	140.4	122.7	129.7
	Seasonally adjusted																	
1972																		
January	83.4	122.1	118.4	---	---	---	---	---	117.7	116.2	121.6	---	119.9	---	117.2	---	---	---
February	92.2	124.4	119.7	---	---	---	---	---	118.2	116.2	120.1	---	121.7	---	118.7	---	---	---
March	109.1	107.5	118.2	---	---	---	---	---	119.2	117.1	120.1	---	122.8	---	118.8	---	---	---
April	94.8	116.8	118.9	---	---	---	---	---	117.4	118.3	120.2	---	122.1	---	118.2	---	---	---
May	115.4	109.8	120.5	---	---	---	---	---	116.7	118.9	119.6	---	121.0	---	118.6	---	---	---
June	107.5	114.8	121.7	---	---	---	---	---	114.7	119.1	122.0	---	121.5	---	119.0	---	---	---
July	98.5	132.8	125.7	---	---	---	---	---	117.2	119.0	122.0	---	121.4	---	119.8	---	---	---
August	106.9	149.5	129.4	---	---	---	---	---	118.5	119.8	121.9	---	120.5	---	120.3	---	---	---
September	98.7	151.1	130.6	---	---	---	---	---	119.1	120.2	122.2	---	120.9	---	121.6	---	---	---
October	102.2	133.6	128.6	---	---	---	---	---	119.8	122.0	123.4	---	122.9	---	122.7	---	---	---
November	116.8	141.9	130.9	---	---	---	---	---	121.9	123.7	121.0	---	121.7	---	124.2	---	---	---
December	120.7	134.6	138.3	---	---	---	---	---	122.8	125.1	119.2	---	122.5	---	130.2	---	---	---
1973																		
January	142.5	147.8	144.9	---	---	---	---	---	124.2	125.6	119.6	---	121.3	---	132.4	---	---	---
February	130.5	143.3	149.7	---	---	---	---	---	124.7	126.0	121.2	---	125.0	---	136.9	---	---	---
March	154.6	151.1	158.8	---	---	---	---	---	128.1	126.6	126.2	---	126.6	---	141.7	---	---	---

1/ For earlier annual data (1957-59 reference base), see Food Consumption, Prices and Expenditures, Agricultural Economic Report No. 138, table 106. 2/ Includes potatoes. 3/ In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. 4/ Includes alcoholic beverages. 5/ Includes animal fats and oils, crude and refined vegetable oils, manufactured animal feed, and miscellaneous processed foods in addition to items listed separately. 6/ All food includes all processed foods (omitting soft drinks, alcoholic beverages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from the farm products group. 7/ Prior to 1967, includes manufactured animal feeds, soft drinks, and alcoholic beverages.

Bureau of Labor Statistics.

Table 20.--Retail food price indexes and Consumer Price Index, selected periods 1/
(1967=100)

Year and month	Food at home															Food away from home	All food	Consumer Price Index, less food	Consumer Price Index
	Meats			Poultry	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total				
	Beef and veal	Pork	Total 2/						Fresh	Processed	Total								
1960	92.1	81.7	87.2	106.9	85.0	113.2	88.4	86.5	84.6	92.9	88.3	87.1	90.1	91.5	89.6	81.4	88.0	88.8	88.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.1	100.2	102.3	103.1	101.6	107.8	103.3	97.7	109.4	105.6	107.9	100.4	103.4	101.9	103.2	105.2	103.6	104.4	104.2
1969	114.5	109.1	111.4	109.0	107.2	126.8	106.7	97.9	111.1	106.5	109.3	103.3	109.1	104.6	108.2	111.6	108.9	110.1	109.8
1970	119.5	115.9	117.6	108.4	118.0	125.6	111.8	105.3	116.3	109.2	113.4	108.9	115.1	117.4	113.7	119.9	114.9	116.7	116.3
1971	124.9	105.0	116.7	109.0	130.2	108.4	115.3	115.2	121.0	116.2	119.1	113.9	119.3	121.6	116.4	126.1	118.4	122.1	121.3
1972	136.6	121.6	129.2	110.4	141.9	107.7	117.1	116.6	128.0	120.5	125.0	114.7	120.9	121.3	121.6	131.1	123.5	125.8	125.3
January	130.8	109.2	121.1	108.4	134.7	108.0	116.4	117.2	122.1	119.2	120.9	113.7	120.1	120.4	118.2	128.6	120.3	124.0	123.2
February	136.1	119.4	127.5	110.7	137.0	101.4	116.9	117.7	126.8	119.5	123.9	114.3	120.5	120.7	120.5	128.9	122.2	124.2	123.8
March	137.1	118.2	127.9	111.6	138.3	107.5	117.3	118.3	122.3	119.9	121.4	114.8	121.2	120.9	120.6	129.4	122.4	124.5	124.0
April	135.9	116.7	126.9	109.4	139.8	102.9	117.4	118.0	123.2	120.3	122.1	115.0	121.4	120.9	120.4	130.0	122.4	124.9	124.3
May	134.1	115.4	125.6	108.4	140.2	101.7	117.3	117.6	126.7	119.8	123.9	114.7	121.4	121.0	120.2	130.4	122.3	125.4	124.7
June	135.8	118.0	127.5	108.9	141.3	94.2	117.0	117.1	132.2	119.9	127.2	114.5	120.6	120.5	120.9	130.9	123.0	125.7	125.0
July	139.4	124.0	131.3	111.8	142.0	101.9	116.8	115.7	134.1	120.0	128.4	114.4	120.4	120.3	122.4	131.3	124.2	125.9	125.5
August	140.2	125.4	132.5	110.6	142.8	105.0	116.6	115.6	133.4	120.2	128.1	114.4	120.5	120.6	122.7	131.9	124.6	126.1	125.7
September	138.3	127.1	132.3	112.6	144.4	114.0	116.9	115.8	128.9	121.0	125.7	114.6	120.7	121.7	122.8	132.5	124.8	126.7	126.2
October	137.3	129.2	132.7	112.0	145.8	114.5	117.1	115.9	126.7	121.2	124.5	114.6	120.9	122.6	122.8	132.8	124.9	127.1	126.6
November	137.7	128.6	132.9	110.2	148.0	113.6	117.7	115.6	129.5	122.1	126.5	115.0	121.1	122.9	123.4	133.3	125.4	127.4	126.9
December	136.8	128.4	132.5	110.2	148.6	128.0	118.3	115.3	130.6	122.4	127.3	115.8	121.4	123.1	124.1	133.7	126.0	127.6	127.3
1973																			
January	142.9	135.0	137.7	116.1	149.2	151.6	119.1	114.6	135.5	123.1	130.5	116.3	121.7	123.9	127.2	134.2	128.6	127.4	127.7
February	152.3	142.2	145.2	120.7	151.3	141.2	121.0	114.9	139.8	123.7	133.3	117.8	122.8	125.6	130.1	134.7	131.1	127.9	128.6
March	160.2	149.8	153.0	150.7	152.8	136.2	121.5	115.0	145.1	124.5	136.8	119.0	124.0	126.4	134.2	135.7	134.5	128.4	129.8
	Seasonally adjusted																		
1972																			
January	131.7	110.9	122.2	109.7	134.4	97.6	116.3	---	123.7	119.0	122.0	113.7	120.2	120.5	118.4	128.6	120.4	124.1	123.3
February	137.3	120.6	128.5	111.7	136.5	95.1	117.0	---	129.3	119.5	125.3	114.3	120.9	120.8	120.9	129.0	122.6	124.4	124.0
March	137.5	118.9	128.3	111.5	138.2	107.6	117.5	---	122.2	120.1	121.4	114.8	121.4	121.0	120.8	129.7	122.6	124.6	124.1
April	136.0	118.0	127.2	109.2	139.7	103.2	117.9	---	120.5	120.3	120.5	114.9	121.5	120.8	120.5	130.1	122.5	124.9	124.3
May	133.4	117.2	125.7	109.1	139.9	113.1	117.4	---	121.4	119.9	120.8	114.8	121.4	121.0	120.2	130.5	122.4	125.4	124.7
June	135.0	118.2	127.2	107.7	141.2	109.2	116.9	---	124.5	120.1	122.7	114.6	120.5	120.1	120.4	131.0	122.6	125.6	124.8
July	138.0	121.9	130.1	109.5	142.1	112.2	116.7	---	125.6	120.1	123.3	114.3	120.4	120.2	121.4	131.3	123.3	125.9	125.3
August	138.4	121.7	130.4	108.6	142.9	105.0	116.5	---	130.0	120.3	126.1	114.3	120.4	120.4	121.8	131.8	123.9	126.2	125.6
September	136.8	123.9	130.6	110.4	144.7	109.7	116.8	---	134.3	120.8	128.8	114.5	120.5	121.9	122.7	132.4	124.7	126.7	126.2
October	137.2	127.7	132.2	112.6	146.1	109.8	117.0	---	135.5	121.2	129.7	114.5	120.8	122.6	122.8	132.5	124.9	126.8	126.6
November	139.0	129.8	133.8	112.2	148.4	114.2	117.6	---	136.6	122.1	130.7	115.1	121.2	122.9	124.6	133.0	126.3	127.1	126.9
December	139.0	130.5	134.2	112.9	148.7	118.1	118.2	---	134.9	122.2	129.5	116.0	121.4	123.3	124.6	133.7	126.3	127.5	127.2
1973																			
January	143.9	137.1	139.0	117.5	148.9	137.1	119.0	---	137.3	122.9	131.7	116.3	121.8	124.0	127.5	134.2	128.7	127.5	127.6
February	153.7	143.6	146.4	121.8	150.7	132.5	121.1	---	142.5	123.7	134.8	117.8	123.2	125.7	130.5	134.8	131.5	128.2	128.7
March	160.7	150.7	153.5	150.5	152.6	136.3	121.7	---	145.0	124.7	136.8	119.0	124.2	126.5	134.5	136.0	134.8	128.5	129.9

1/ For earlier annual data (1957-59 reference base), see Food Consumption, Prices, and Expenditures, Agricultural Economic Report No. 138, July 1968. 2/ Beef, veal, lamb and mutton, pork, and processed meat. 3/ Includes butter. 4/ Excludee butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI.

Bureau of Labor Statietics.

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NATIONAL FOOD Situation

Prices, consumption, supply

ECONOMIC RESEARCH SERVICE

U.S. DEPARTMENT OF AGRICULTURE

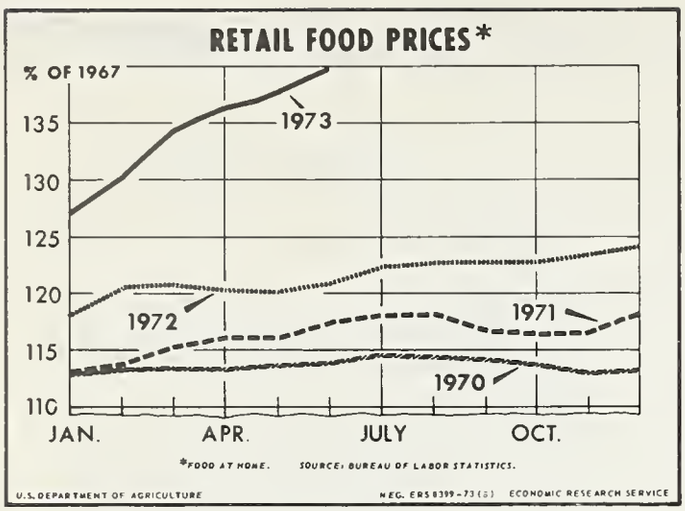
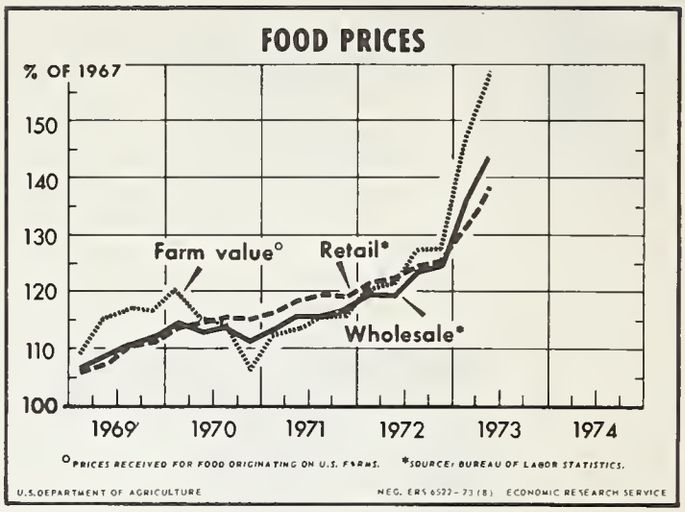


Figure 1



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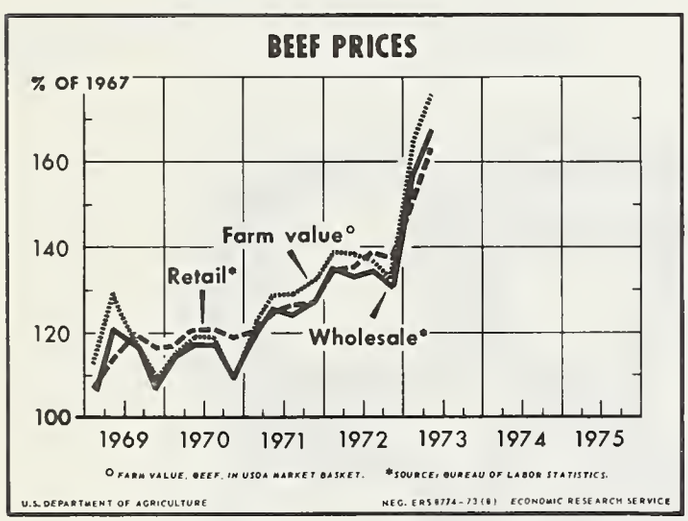

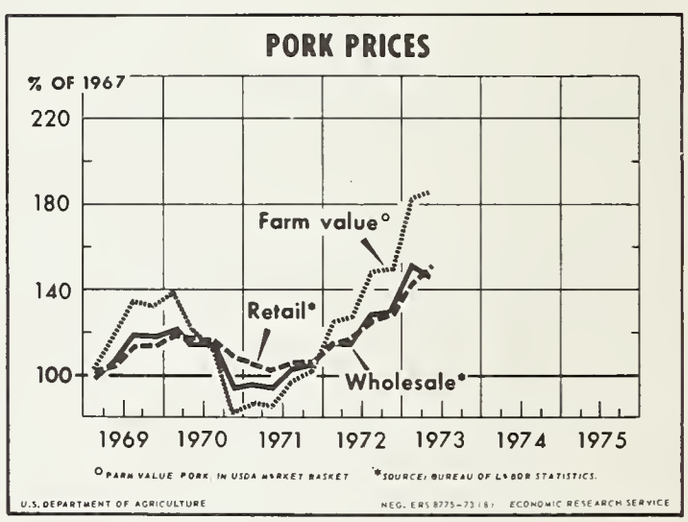

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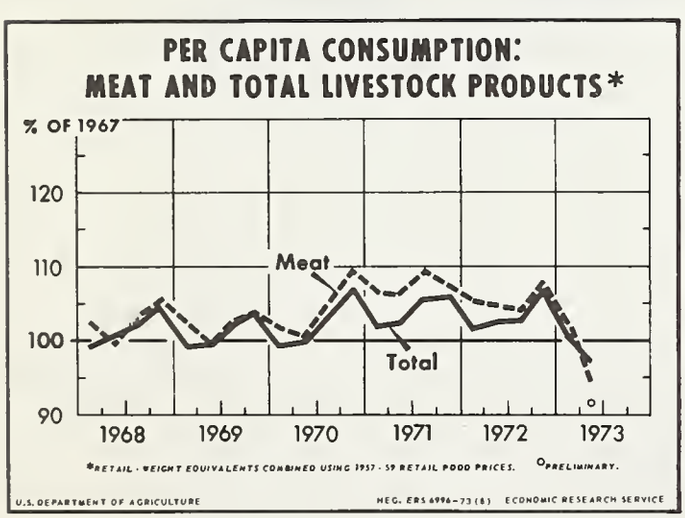

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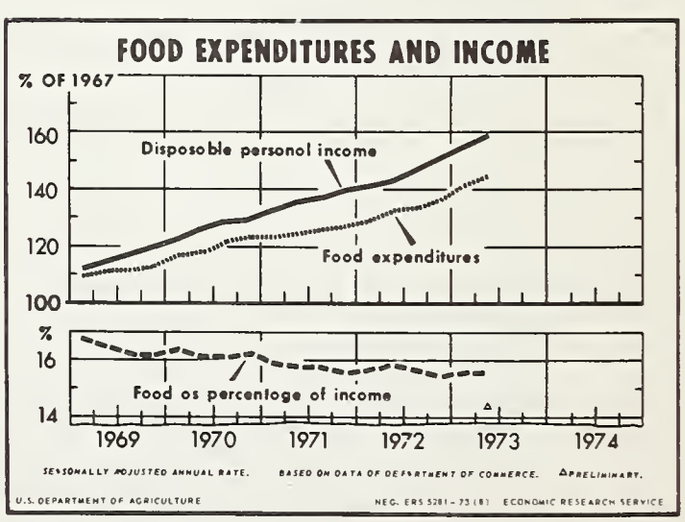

Figure 6

NATIONAL FOOD SITUATION

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Approved by
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and Summary released
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Principal contributors:
Larry V. Summers
Anthony E. Gallo
Frederick D. Gray
Helen M. Eklund
Fredericka A. Bunting

National Economic Analysis Division
Economic Research Service

U.S. Department of Agriculture
Washington, D.C. 20250

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SUMMARY

Retail food prices are now expected to advance sharply during the second half of 1973 despite indications of larger crop production. Reduced stock levels of major crop products, recent supply disruptions and continued uncertainty over supplies of livestock-related products, and sustained demand in domestic and export markets will maintain upward pressure on food prices. During the third quarter, the consumer price index for food will rise sharply following the removal of ceilings for products other than beef. Further increases in the index are likely during the fourth quarter after beef price ceilings are lifted and cost increases in addition to raw-product costs may be passed through to the retail level.

For all of 1973, food at home prices are expected to average 18-22 percent above 1972. If July estimates or projections of farm output are achieved or exceeded, or if foreign and domestic sales of farm and food products should slow noticeably, then retail food prices may stabilize early in the fourth quarter and the average yearly increase would fall in the lower end of the range. Conversely any major shortfalls in farm output or further strengthening of demand would probably lift the increase in food at home prices toward the upper end of the range. With food away from home rising at a slower pace, the percentage increase for all food prices will likely be 2-3 percentage points less than the food at home advance.

In the second quarter, constricted supplies of major farm commodities available for domestic use, combined with the surge in consumer demand during early 1973, pushed the consumer price index for all food nearly 13 percent above a year ago and food at home prices up almost 15 percent. Food prices rose briskly throughout the quarter in company with rapidly rising farm prices for most commodities. The rising farm prices reflected reduced livestock production, concern about abnormal weather during planting, continued strong export demand, rapid inventory depletion, and advance buying of commodities. In an effort to slow the sharp rise in domestic food and feed prices, the President in mid-June ordered export controls on some strategic products as a short-term measure. Exports of

soybeans and related products were briefly embargoed, and have been restricted since early July.

Government-imposed ceilings precluded significant retail price rises for red meats during the second quarter. However, prices for other major categories of food continued to advance throughout the period. Retail prices of livestock-related foods averaged almost 20 percent above a year earlier. Retail prices for crop-related food were up at half that rate, but increases for vegetables and potatoes were very sharp.

Per capita food consumption this year appears likely to decline for the first time since 1965. It may be 1 percent below 1972, with a 2 percent decline for livestock-related foods outweighing a 1 percent increase for crop foods. Meat and egg consumption will drop the most, followed by poultry. Fish and dairy products will stay about the same. The increase in crop-related foods will reflect a sharp increase in fruit consumption, as well as advances for processed vegetables, processed potatoes, and vegetables oils. Declines in consumption are likely for fresh vegetables and potatoes, coffee, and cocoa.

Consumer resistance to sharply higher prices as well as limited supplies were reflected in a drastic decline in consumption of most livestock-related foods in the second quarter. Per capita red meat consumption dropped 10 percent from a year ago, falling to its lowest level in 7 years, and egg use fell 5 percent. Poultry meat consumption was down slightly.

Food expenditures in the second quarter rose to $135.8 billion (seasonally adjusted annual rate), over 9 percent above a year ago. All of the increase was due to higher prices as consumption was down. Food expenditures in constant prices (a measure of changes in quantity) fell almost 3 percent from the demand, second quarter of 1972 and were 2 percent below the first quarter of 1973.

Since the 11 percent rise in disposable income from a year ago exceeded increases in food expenditures, the share of income allocated to food fell from 15.9 percent in the second quarter of 1972 to 15.6 percent this spring. Food expenditures as a share of total personal consumption expenditures also fell.

Consumption of higher priced foods is expected to decline as consumers switch to lower priced food items in response to price increases and limited supplies. Nevertheless, expenditures for food in 1973 are expected to increase 15 percent over 1972, greater than the increase anticipated for disposable personal income. As a result, the percentage of income spent for food is expected to increase for the first time in 15 years.

The average number of people enrolled in USDA family food programs during the first half of 1973 rose 1½ percent above a year ago, bringing total participation up to 15 million. A 9½ percent increase in food stamp program enrollment largely reflected a continuing transition from commodity distribution programs. The value of bonus stamps (those stamps not purchased by the participant) increased 16 percent over the first 6 months of last year. This increase was due to the combined effects of the increase in participation and the increase in bonus stamps received by participants resulting from the cost of living adjustment as of July 1972.

Net production of U.S. farm foods may rise around 3 percent above the reduced level of a year ago, with increased crop output more than offsetting less livestock output. Although domestic food use, both military and civilian, will be down slightly, a sharp increase in exports will result in essentially no buildup in stock levels this year.

FOOD PRICES

The consumer price index for all food averaged about 12½ percent above a year earlier during the second quarter of 1973 (table 1). The index rose briskly throughout the quarter in company with rapidly rising farm prices for most commodities. Prices of food at home accounted for most of the increase, averaging almost 15 percent above a year earlier for the second quarter. By June, grocery store food prices were almost 16 percent higher than June last year (table 11). Meals eaten out were up about 6½ percent.

Constricted supplies of major farm commodities available for domestic use following the surge in consumer demand during the winter, continued to push retail food prices higher this spring. Smaller domestic food supplies reflected a host of conditions, beginning with abnormal weather and reduced harvests of major U.S. farm products during the past year. Strong foreign

Change in retail food prices, second quarter, 1973

Item	From first quarter 1973	From second quarter 1972
	Percent	*Percent*
Meat	7.5	23.3
Poultry	16.4	38.1
Fish	5.9	14.0
Dairy products	2.1	4.9
Eggs	-1.1	42.0
Fats and oils	4.5	3.2
Fruits and vegetables	9.4	17.4
Sugar and sweets	2.9	4.4
Cereal and bakery products	3.5	6.2
Beverages	3.3	7.1
Other preparations	1.4	3.0
Food at home	5.7	14.5
Food away from home	2.7	6.3
All food	5.1	12.6

Table 1.--Consumer, wholesale, and farm price indexes, 1972-73
(1967=100)

Item	1972				1973		
	II	III	IV	Year	I	II	
						Index	Percent change from 1972 II
							Pct.
Retail prices: 1/							
All goods and services (CPI)	124.7	125.8	126.9	125.3	128.7	131.5	5.5
All items less food	125.3	126.2	127.4	125.8	127.9	129.7	3.5
All food	122.6	124.5	125.4	123.5	131.4	138.1	12.6
Food at home	120.5	122.6	123.4	121.6	130.5	138.0	14.5
Food away from home	130.4	131.9	133.3	131.1	134.9	138.6	6.3
Wholesale prices: 1/							
All commodities	118.2	119.9	121.2	119.1	127.0	133.6	13.0
Industrial commodities	117.6	118.4	119.1	117.9	121.3	125.7	6.9
Farm products	121.8	128.3	130.6	125.0	152.0	171.1	40.5
Processed food	120.3	123.0	124.0	121.9	133.6	139.4	15.9
All food 2/	119.4	123.5	124.6	121.8	135.4	143.4	20.1
Prices received by farmers: 3/							
Crops	114	116	121	115	135	156	36.8
Livestock and products	129	136	141	134	163	170	31.8
Average	123	128	133	126	151	164	33.3
Market basket of U.S. farm food: 4/							
Retail cost	120.1	122.5	123.1	121.3	130.8	138.5	15.3
Farm-retail spread	119.0	119.3	120.4	119.3	120.5	125.7	5.6
Farm value	121.9	127.4	127.5	124.4	141.7	158.7	30.2

1/ Department of Labor, Bureau of Labor Statistics.

2/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group.

3/ Statistical Reporting Service.

4/ Economic Research Service.

resulting from rising prosperity and lower food and livestock feed production abroad, brought sharply increased export sales. Thus, the supply of food and feed became less plentiful than it had been, and advance buying of many commodities reduced supplies still available for purchase much faster than normally. In an effort to slow the sharp rise in domestic food and feed prices, the President, in mid-June, ordered export controls on some strategic products as a short term measure. Exports of soybeans and related products were briefly embargoed, and have been restricted since early July.

Despite growing consumer resistance to higher food prices as reflected in the sharp reduction in red meat consumption during the second quarter, domestic demand also remained at a high level. Although economic expansion slowed from the rapid rate of the first quarter, consumer disposable income continued to rise at a fast pace and unemployment declined.

Commodity retail prices

Government imposed ceilings precluded sharper price rises for red meats than the 7½ percent that occured between the first and second quarter. However, prices for other major food categories continued to advance throughout the period. As a result, retail prices of livestock-related food averaged almost 20 percent above a year earlier. Retail prices for crop-related foods went up at about half that rate, but increases for vegetables and potatoes were much larger.

Beef.—Retail beef prices in the second quarter averaged over 20 percent above a year ago, but the increase largely reflected advances during the first quarter, since price ceilings imposed in late March held second-quarter prices close to the April level.

Pork.—Ceilings also held pork prices near April levels, but the sharp price increase earlier meant that retail prices in the second quarter were almost 30 percent above a year ago.

Poultry.—Poultry prices were up 38 percent above a year earlier in the second quarter, largely reflecting advances during the first quarter. Frying chickens advanced the most, but turkey and chicken breasts were also much higher.

Fish.—In contrast to recent trends, fish prices rose far less than any other item in the meat, poultry, fish category. Retail prices in the second quarter were 14 percent above a year ago. Despite dollar devaluation, lower world supplies, and increased world demand, U.S. supplies of most fish were relatively large at the beginning of 1973, limiting the rise in the fish price index.

Eggs.—Retail egg prices averaged 42 percent above the second quarter of last year as a result of reduced supplies and high prices for other protein foods.

Dairy.—Retail dairy prices rose about 5 percent above a year earlier, the smallest increase for any livestock-related food group.

Fruits and vegetables.—Fruit and vegetable prices were almost 18 percent higher than in the second quarter of a year ago, mostly reflecting higher prices for fresh produce. Fresh vegetable prices were up a fourth due to reduced supplies. The 65 percent increase in potato prices was due to a major drop in production. Fresh fruits were 14 percent higher than a year ago, with larger citrus fruit supplies helping to avoid even greater price increases. Processed fruits and vegetables were only 5½ percent higher than last year.

Other foods.—Sugar and sweets prices were 4½ percent above a year ago. *Cereal and bakery* products climbed to 6½ percent above last year, while higher *coffee* prices pushed the beverage index 7 percent above last year. *Fats and oils* rose minimally.

Wholesale Prices

The Wholesale Price Index for all food averaged 20 percent above a year ago in the second quarter. In comparison, industrial prices were up 7 percent. Average wholesale prices were higher for all product categories. Eggs and processed poultry advanced the most, averaging almost 65 percent more, while fresh produce was 55 percent higher. Red meats rose more than a fourth, fish about half that much. Cereal and bakery products, sugar and confectionery, vegetable oils, and dairy products also rose at a brisk pace. Beverages rose the least (table 10).

Food prices and controls

Retail and wholesale price ceilings on red meats, imposed in late March, were extended to all foods on June 13, for a maximum period of 60 days. On July 18, Phase IV of the Economic Stabilization Program replaced prior controls. The system of ceilings on beef prices, established on March 29, is to continue through September 12. Price ceilings on all other agricultural products were lifted to permit pass-through of only raw agricultural product increases in costs paid by processors, distributors, and retailers since June 8 on a dollar-for-dollar basis. Only raw material costs can be passed through. Declines in raw agricultural costs are required to be passed through.

This system of controls will apply until September 12 when Stage B takes effect. This stage of the food controls program will terminate the beef ceilings and permit pass-through of other cost increases on a dollar-for-dollar basis. Under Stage B the food sector will be under control rules similar to the rules already in effect for the industrial, service, retail, and wholesale sectors.

Additional steps have been taken to increase domestic food supplies. Import quotas for nonfat dry milk have been raised from about 2 million pounds

originally to 167 million pounds this year. Cheese quotas have been increased from 128 to 192 million pounds.

All remaining acreage set-aside programs have been suspended to permit full production in 1974. Limitations on export of soybeans and related products are to be continued through the remainder of the 1972/73 marketing year. An export reporting system for agricultural commodities was established to provide information on the volume of contract export shipments.

Outlook

The consumer price index for food at home will jump sharply during the third quarter, and may continue to rise through the fall. This is likely despite forecasts for much larger harvest of major crops this summer and fall as well as for greater output of livestock products during the second half of the year than in the first half. Some possible explanations of this apparent contradiction include: (1) Uncertainty concerning actual farm output until crop harvests are completed and livestock products are marketed, (2) Advance buying of foods and feeds with a resultant reduction in freely available supplies, (3) reported disruption of producers supply responses and marketing patterns caused by rising input prices, finished product price ceilings, and other unusual market conditions in recent months, (4) continued strength in export markets for farm commodities following record-breaking foreign sales during the past year, (5) drawdown of stocks, both of major farm commodities and inventories of many processed food products, (6) continued increases in domestic demand resulting from increasing consumer incomes, rising employment levels, and population growth.

For all of 1973, food at home prices are expected to average 18-22 percent above 1972. If July estimates or projections of farm output are achieved or exceeded, or if foreign and domestic sales of farm and food products should slow noticeably, then retail food prices may stabilize early in the fourth quarter and the average yearly increase would fall in the lower end of the range. Conversely any major shortfalls in farm output or further strengthening of demand would probably lift the increase in food at home prices toward the upper end of the range. With food away from home rising at a slower pace, the percentage increase for all food prices will likely be 2-3 percentage points less than the food at home advance.

Most of the expected increase in third quarter prices will come from livestock related foods. However, crop food may also average higher in the third quarter, despite seasonal declines for some fruits and vegetables. The fourth quarter increase will be due entirely to livestock-related food with some offset likely from crops.

Ceilings will remain on beef prices through September 11, but pork and poultry prices will likely move up sharply in response to high feed prices and cutbacks in production during the ceiling period. By fall, some easing is likely for poultry as production increases. A major increase seems in store for beef prices once ceilings are removed. Egg prices will rise for the rest of the year, while fish prices will also be higher due to the dollar devaluations, shorter world supplies and higher prices for competing products. The index of retail fruit prices may show some easing as deciduous fruit production will be well above a year ago. Summer vegetable production is 2 percent above a year earlier and some seasonal declines are expected. Potato prices will continue high through the summer due to sharply lower production with prices later on dependant on the size of the important fall crop. Retail prices of dairy products, sugar and sweets, coffee, and fats and oil products may all continue to rise.

FOOD SPENDING AND INCOME

Total personal consumption expenditures for food rose at a quarterly rate of 2.1 percent to $135.8 billion (seasonally adjusted annual rate) during the second quarter of 1973 (table 2). All of the increase was due to higher prices since consumption was down. Food expenditures were 9.1 percent above a year earlier.

Expenditures for food at home rose 2½ percent during the quarter while increases in away from home spending slowed to a gain of only ½ a percentage point.

Expenditures in Constant Dollars

Based on 1958 prices, total food expenditures in the second quarter declined for the third straight quarter, dropping nearly 3 percent below last year's level. Expenditures for food at home were 4 percent below a year ago, having declined steadily for the past 4 quarters. Expenditures for food away from home also declined almost 2½ percent after showing steady gains during the last year and a half.

The Department of Commerce has recently revised its National Accounts Statistics for the past 3 years. Expenditures for food in 1970 were revised down by 1.8 percent and in 1971 and 1972 they were revised upward slightly by 0.2 percent and 0.5 percent, respectively.

Disposable personal income rose in the second quarter of 1973 to $870 billion (seasonally adjusted annual rate); this 11 percent annual increase was the largest since 1951. The share of income spent for food fell from 15.9 percent a year earlier to 15.6 percent

Table 2.--Expenditures for food in relation to disposable income, 1960 and 1965-73 1/

Year	Disposable personal income	Personal consumption expenditures for food 2/					
		For use at home 3/		Away from home 4/		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Bil. dol.	Bil. dol.	Pct.	Bil. dol.	Pct.	Bil. dol.	Pct.
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1965	473.2	69.3	14.6	16.5	3.5	85.8	18.1
1966	511.9	73.8	14.4	18.2	3.6	92.0	18.0
1967	546.3	74.5	13.6	19.4	3.6	93.9	17.2
1968	591.0	79.0	13.4	20.7	3.5	99.7	16.9
1969	634.4	82.0	12.9	22.1	3.5	104.1	16.4
1970	691.7	88.1	12.7	24.0	3.5	112.1	16.2
1971	746.0	92.7	12.4	24.8	3.3	117.5	15.7
I	727.4	91.2	12.5	24.3	3.3	115.5	15.9
II	744.0	92.8	12.5	24.4	3.3	117.2	15.8
III	752.0	93.7	12.5	24.7	3.3	118.4	15.8
IV	760.4	93.2	12.2	25.7	3.4	118.9	15.6
1972	797.0	97.9	12.3	27.1	3.4	125.0	15.7
I	772.8	94.9	12.3	26.3	3.4	121.2	15.7
II	785.4	97.7	12.5	26.8	3.4	124.5	15.9
III	800.9	98.9	12.3	27.2	3.4	126.1	15.7
IV	828.7	100.2	12.1	28.1	3.4	128.3	15.5
1973							
I	851.5	103.5	12.1	29.5	3.5	133.0	15.6
II 5/	870.4	106.2	12.2	29.6	3.4	135.8	15.6

1/ Quarterly data are seasonally adjusted annual rates. 2/ Based on unpublished data of the Department of Commerce, and the Survey of Current Business and The National Income and Product Accounts of the United States, 1929-65. Omits alcoholic beverages, food donated by Government agencies to schools and needy persons, and non-personal spending for food such as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees. 3/ Includes food consumed on farms where produced. 4/ Includes food served to the military and employees of hospitals, prisons, and food service establishments. 5/ Preliminary.

Change in food expenditures, second quarter, 1973[1]

Item	From first quarter 1973	From second quarter 1972
	Percent	*Percent*
Total food		
Current dollars	2.1	9.1
1958 dollars	-2.1	-2.8
Food at home		
Current dollars	2.5	8.7
1958 dollars	-2.1	-4.2
Food away from home		
Current dollars	.5	10.7
1958 dollars	-2.4	3.8

[1] Preliminary.

during the second quarter. The share of total personal consumption expenditures spent for food in the second quarter of 1973 also declined; food expenditures and services were the only major components to fall.

Proportion of total consumer expenditures

Item	Second quarter	
	1972	1973[1]
	Percent	*Percent*
Food excluding alcoholic beverages	17.3	17.1
Nondurables excluding food	24.1	24.4
Clothing and shoes	8.6	8.8
Other	15.5	15.6
Durables	16.0	16.7
Automobiles and parts	7.1	7.5
Furniture and household equipment	6.6	6.8
Other	2.3	2.4
Services	42.6	41.8
Housing	14.6	14.2
Household operation	6.0	5.9
Transportation	3.0	2.9
Other	19.0	18.8

[1] Preliminary.

Consumer demand

While incomes rose, purchases kept pace and remained 10½ percent above the second quarter of 1972.

Expenditures for durable goods, which are normally more volatile than other categories of expenditures, increased less than 1 percent in the second quarter of 1973, slowing considerably from the rapid rate in the winter quarter. However, the $133 billion spent represented an above-average 16 percent year-to-year increase.

Demand for both nondurables ($329.8 billion) and services ($332.2 billion) also remained strong.

Quarterly changes in personal expenditures and disposable income

Item	1972		1973	
	III	IV	I	II[1]
	Percent	*Percent*	*Percent*	*Percent*
Personal consumption expenditures	2.1	2.5	3.6	2.0
Durable goods	4.4	2.2	7.6	.7
Nondurable goods	1.5	2.8	3.7	2.4
Food	1.3	1.7	3.7	2.1
Other	1.6	3.5	3.7	2.5
Services	1.8	2.4	1.9	2.2
Personal disposable income	2.0	3.5	2.8	2.2

[1] Preliminary.

Expenditures for nondurables were almost 11 percent higher than last year's level. Service were up 8½ percent. The savings rate remained steady at 6 percent.

Outlook

Consumption of higher-cost foods is expected to decline as consumers switch to less expensive items in response to price increases and limited supplies. Nevertheless, expenditures for food in 1973 are expected to increase 15 percent, a greater percentage than the expected rise in disposable personal income. As a result, the share of income spent for food is expected to increase in 1973 for the first time in 15 years.

Food Programs

The total number of people enrolled in USDA family food programs rose slightly more than 1½ percent during the first 6 months of 1973.

Participation in the food stamp program continued to show gains during the first six months of the year, increasing 9½ percent over the first 6 months of 1972. However, most of this increase was due to a counterbalancing decline of nearly one-fourth in participation in the food distribution program.

During the 1972-73 school year 200,000 more children participated in both the school lunch program and the school breakfast program than in the previous school year.

Value of programs—The value of bonus food stamps (those stamps received free) increased nearly 16 percent over the first 6 months of last year (table 3). This increase was due to the combined effects of increases in participation and the cost-of-living adjustment which began in July 1972.

The Federal cost of commodities donated to needy families declined approximately a fourth in line with the declining participation rate and limited

Table 3.--Federal cost of USDA food programs, 1970-73 1/

Year	Food stamps		Food distribution 3/				Child nutrition 5/				Total 6/
	Total issued	Bonus stamps 2/	Needy families	Supplemental food 4/	Schools	Institution	School lunch	School breakfast	Special food	Special milk	
	Million dollars										
1970	1,926	1,104	295	12	271	24	366	14	16	96	2,198
I	287	153	75	2	102	6	94	4	2	32	469
II	433	258	78	3	35	7	96	4	3	26	510
III	536	316	72	4	36	6	40	1	9	10	494
IV	670	377	71	3	98	5	136	6	2	28	725
1971	3,099	1,693	319	16	288	28	628	22	35	92	3,121
I	738	412	85	4	110	6	186	7	3	30	843
II	774	421	82	4	35	8	169	5	6	23	754
III	777	420	76	5	40	7	57	2	21	11	640
IV	812	441	75	4	103	7	216	7	4	28	884
1972	3,615	1,985	265	17	287	27	793	28	45	89	3,537
I	845	466	76	4	120	6	252	8	4	30	966
II	873	472	72	4	44	8	193	7	8	22	830
III	934	519	59	5	42	7	89	3	28	12	763
IV	964	529	58	4	81	6	259	10	5	26	978
1973											
I	997	546	60	4	91	7	294	11	5	31	1,049
II 7/	995	540	53	4	54	6	218	9	9	22	915

1/ Totals may not add due to rounding.
2/ Includes Food Certificate Program.
3/ Cost of food delivered to State distribution centers.
4/ Includes special food services for preschool and school age children in nonprofit institutions.
5/ Money donated for local purchase of food. Excludes nonfood assistance.
6/ Excludes those food stamps paid for by the recipient.
7/ Estimated.

availability of food. However, Federal money contributions to the school lunch programs increased 21 percent for the 1972-73 school lunch year. The School Breakfast Program increased nearly forty percent. These increases were partially offset by a decrease of 14 percent in the Federal cost of foods distributed to schools through the food distribution program.

The total value of the USDA food programs (bonus food stamps, food distribution, and child feeding programs) amounted to 2.7 percent of personal consumption expenditures for food, the same as a year ago.

The Food Stamp Act requires that the value of the coupon allotment be adjusted annually to reflect changes in the prices of food published by the Bureau of Labor Statistics. The monthly coupon allotment for a family of four was increased from $112 to $116 effective July 1, 1973, based on prices as of December 1972.

Also effective July 1, the maximum allowable monthly income to quality for stamps was increased from $373 to $387 for a family of four. These standards are in effect in all States except for Alaska and Hawaii and those States which had higher maximum standards than those required by USDA prior to July 29, 1972, when national standards were initiated.

PER CAPITA FOOD CONSUMPTION

Earlier expectations for record food consumption in 1973 have been drastically altered by the reductions now anticipated for livestock-related products (table 4). In total, food consumption may be 1 percent below 1972, with a 2 percent decline for livestock-related foods outweighing a small increase for crop foods.

Red meat and egg consumption per person is expected to drop 4 percent this year; poultry consumption may decline 2 percent. Consumption of fish and dairy products is expected to equal or slightly exceed 1972 rates, limiting the reduction for all animal-related foods to 2 percent for the year.

The outlook for record consumption of crop foods, up 1 percent from last year, continues unchanged. Consumption of fruit, both fresh and processed, will be up about 5 percent over the reduced 1972 level and there also will be increases for processed vegetables, processed potatoes, and vegetable oils. Declines are expected for fresh vegetables and potatoes, coffee, and cocoa.

Livestock products

Per capita consumption of livestock-related food products (excluding fish) in the second quarter was 5 percent less than a year ago and down 2 percent from the first quarter (table 5). All items except dairy products declined from last year, with a 10 percent drop for meat leading the way. Poultry consumption was down only slightly but egg use was down 5 percent. Egg consumption fell to its lowest point in almost four decades, and meat use was at the lowest level since third-quarter 1966.

About a fourth of the 7 percent drop in meat consumption and most of the 4 percent decline for eggs from the first to second quarter were seasonally expected. Increases in consumption of poultry meat and dairy products were less than seasonally expected. Thus, on a seasonally adjusted basis, consumption of each livestock-related food group declined from first to second quarter—to total a 3½ percent drop for these foods.

Per capita food consumption indexes, seasonally adjusted

Period		Total livestock	Meat
		1967=100	
1971	I	103.7	106.0
	II	103.4	108.3
	III	104.9	108.9
	IV	103.1	105.8
1972	I	104.0	105.2
	II	103.4	106.9
	III	102.4	103.6
	IV	103.4	105.7
1973	I	101.7	101.1
	II	98.2	96.2

Effects of low supplies and high prices suddenly became evident in dramatically reduced per capita meat consumption in the first 6 months this year—down 4 percent from year-earlier rates in the first quarter and down 10 percent in the second quarter. Per capita meat supplies are expected to be a tenth larger than the second quarter level the rest of the year, but will remain a little below year-earlier rates. During the first half of 1974, consumption of meat may average slightly above the low level experienced this year.

Poultry consumption averaged slightly under the year-earlier level in the second quarter and is expected to remain substantially under the record rates of 1972 the rest of the year. For eggs, the deficit from last year's consumption (down 5 percent in the first half, on average) is expected to narrow for the rest of the year.

With consumption of total livestock products averaging 3½ percent lower in the first half of 1973,

Table 4.--Per capita food consumption index, 1960-73 1/

Selected years	Meat	Poultry	Fish	Eggs	Dairy products 2/	Fats and oils			Fruits 3/		
						Animal 2/	Vegetable	Total	Fresh	Processed	Total
1960	92	75	95	104	106	123	81	96	111	95	103
1961	92	82	99	101	104	125	78	95	107	92	99
1962	93	81	98	101	105	123	81	96	102	96	99
1963	96	82	99	98	104	119	85	97	93	88	90
1964	98	84	97	98	104	116	90	99	98	85	91
1965	94	89	101	97	103	111	92	99	100	90	95
1966	96	96	100	97	102	99	102	101	100	90	95
1967	100	100	100	100	100	100	100	100	100	100	100
1968	103	99	102	99	101	103	104	103	98	97	97
1969	102	103	102	98	100	95	110	105	98	102	100
1970	104	108	109	99	99	90	116	107	101	103	102
1971	107	109	105	97	99	90	113	105	98	106	102
1972	105	113	113	95	100	84	120	107	94	105	100
1973 4/	101	111	113	91	101	80	123	108	99	110	104

	Vegetables 5/			Potatoes and sweetpotatoes		Cereal products	Sugar and sweeteners	Coffee tea, and cocoa	All food		
	Fresh	Processed	Total	Fresh	Processed				Animal products	Crops 6/	Total
1960	107	84	99	129	56	103	98	100	95.7	97.1	96.4
1961	104	85	98	127	59	102	98	102	95.8	96.4	96.0
1962	102	89	97	121	64	101	99	102	96.2	96.5	96.3
1963	101	89	97	124	69	100	99	105	97.3	95.9	96.6
1964	100	91	97	113	76	101	99	102	98.8	96.4	97.6
1965	100	95	98	105	86	101	99	99	96.9	97.6	97.2
1966	98	97	98	106	98	99	100	99	98.1	98.6	98.3
1967	100	100	100	100	100	100	100	100	100.0	100.0	100.0
1968	99	104	100	101	106	101	103	100	101.5	101.1	101.2
1969	99	104	101	94	118	101	104	97	101.2	102.0	101.5
1970	100	104	101	91	121	98	106	94	102.5	103.1	102.8
1971	99	105	101	87	124	99	106	92	103.8	102.8	103.3
1972	99	107	102	86	126	98	108	98	103.6	103.8	103.7
1973 4/	97	109	101	81	127	98	108	96	101.2	104.5	102.7

1/ Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. Data for earlier years are given in the 1970 Supplement to Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, November 1971. 2/ Includes butter. 3/ Excludes melons and baby food. 4/ Preliminary. 5/ Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes. 6/ Includes melons, dry beans and peas, nuts, soup, and baby food in addition to groups shown separately.

Table 5.--Livestock products: Per capita consumption indexes, quarterly, 1969-73 1/
(1967=100)

Year and quarter	Meat	Poultry	Eggs	Dairy products: Excluding butter	Dairy products: Including butter	Animal fats including butter	Total livestock products 2/
1969 I	102.9	85.2	99.4	98.2	98.7	100.7	99.3
II	99.5	97.3	97.0	102.8	102.2	88.1	99.7
III	102.7	106.9	96.9	100.6	100.1	95.6	101.9
IV	103.7	123.5	99.1	99.2	99.2	95.2	103.8
1970 I	101.5	91.8	98.9	98.9	98.9	99.4	99.4
II	100.8	102.1	96.5	100.4	99.4	83.7	99.9
III	104.8	113.2	97.2	100.2	99.7	84.3	103.1
IV	109.7	124.5	101.0	98.5	98.6	93.9	106.7
1971 I	106.2	92.8	98.2	99.0	99.0	98.8	101.8
II	106.1	100.7	96.4	100.2	99.3	83.7	102.3
III	109.0	113.0	95.2	100.5	99.5	88.2	105.2
IV	107.6	127.9	98.4	98.7	98.8	91.3	105.8
1972 3/ I	105.4	98.0	98.7	100.3	99.8	89.1	102.1
II	104.8	107.6	93.3	101.2	100.2	79.8	102.3
III	103.7	115.7	92.9	101.3	100.3	82.4	102.7
IV	107.5	131.7	94.8	100.1	99.6	85.6	106.1
1973 3/ I	101.3	98.1	92.6	102.0	100.9	82.1	99.9
II	94.3	107.0	89.0	102.3	101.3	78.5	97.1

1/ Civilian consumption only. Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combined in terms of average 1957-59 retail prices. Data since 1955 are in the 1970 Supplement to Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, November 1971.

2/ Excludes fish and honey.

3/ Preliminary.

much of the adjustment to the reduced supply situation this year has already occurred. Per capita meat supplies in the second half are expected to increase seasonally and consumption will be maintained at a level slightly below a year ago. Poultry meat supplies in the last half of the year will be up seasonally but will trail last year's level by a wider margin than during the first half.

Commodity Reviews

Meat.—Consumption of red meat per person this year is expected to average about 9 pounds under the 189 pounds consumed in 1972 (table 6). Beef and pork likely will be down about 4 pounds each and lamb and mutton use will decline sharply following the slight upward movement last year.

Consumption of red meat per person in the first half of 1973 averaged about 7 pounds less than the 94 pounds consumed a year earlier. Consumption of all red meats was down, with pork consumption off the most. In the second half, red meat consumption will continue below a year earlier but by a smaller margin. Both beef and pork are expected to be down and further declines in veal and lamb and mutton are anticipated.

Per capita beef consumption during January-June was 3 pounds below the 59 pounds per person consumed in these months last year. Beef output was down 5 percent. A 5 percent increase in beef imports offset only a small part of the decline. All of the decline in beef production reflected smaller marketings of steers and heifers. Cow beef production was up 2 percent as a result of higher culling rates of dairy herds.

Beef consumption in the second half likely will be down a pound or more from 1972 levels with larger beef imports helping to make up for the decline in domestic output. July-December consumption probably will be up 4 pounds from the first half. Consumption averaged 59 pounds per person in the second half of last year. Most of the decline in consumption in the second half from a year earlier will be due to less steer and heifer beef. Production from non-fed steers and heifers will be minimal. Last year, non-fed steer and heifer slaughter accounted for about 5 percent of the total.

Veal consumption has been declining for many years, reaching a low of 2.2 pounds per person in 1972. This year veal consumption is down again, and for the year may be off a quarter of a pound per person. Veal production is dropping because of the strong demand for beef and the reduced supply of calves from the dwindling dairy herd.

Pork consumption will be down this year. Declines in the first half will have accounted for most of the drop. First half consumption averaged 31 pounds per person, down about 3 pounds from January-June 1972. Second half consumption is expected to be a little below the 33 pounds per person consumed in the summer and fall of 1972. The absence of previously anticipated increases in second half pork supplies is the result of high feed prices which caused hog producers to curtail plans to increase the spring pig crop.

Lamb and mutton consumption had been steadily on the decline for several years. Because of heavy imports last year, it averaged 3.3 pounds per person, up slightly from the 1971 average. This year, it will decline again about half a pound, because of smaller domestic production and reduced imports.

Fishery Products[1].—Per capita consumption of fishery products is expected to increase slightly above the 12.2 pounds of 1972. The increase will probably occur in the fresh and frozen category, where supplies of fish fillets and some major shellfish items are more abundant this year. Consumption of canned fishery products will likely remain even with last year's 4.9 pounds. Supplies of canned tuna and canned sardines may be larger this year, but will be mostly offset by another extremely poor salmon pack. Consumption of cured products will be about the same as last year—0.4 pound per capita.

Production of fish sticks and portions has been running ahead of last year. However, by early spring, shortages of fish blocks, the raw material used in this manufacture, began to develop. Cold storage holdings of fish blocks on January 1 were exceptionally large, but a 24 percent reduction in imports of blocks through May forced processors to draw heavily upon their inventories to support production. The drawdown of stocks from January through June occurred at a faster rate than ever before experienced by the industry. With no immediate prospects for improvement in imports of raw material, the outlook for continued heavy production of sticks and portions is bleak. Dollar devaluation and shorter world supplies have worsened the supply situation for heavily imported items such as fish blocks.

The situation for fish fillets is a little more encouraging. U.S. catches of most groundfish species have been below a year ago, but have been more than offset by a 25 percent increase in imports. However, large quantities of these new supplies are being inventoried. By July 1, inventories of fillets were 3 times larger than last year. Among the major reasons for this inventory buildup are: (a) The holding of higher cost product awaiting the relaxation of price controls during Phase IV, and (b) anticipation of higher costs and tightening supplies stemming from devaluation and strong world demand. Despite the buildup of fillet supplies, prices advanced sharply

[1] Information supplied by Market Research and Service Division, National Marine Fisheries Service, U.S. Department of Commerce.

Table 6.--Civilian per capita consumption of major food commodities (primary distribution weight) and civilian population, selected years 1/

Commodity	1960	1967	1970	1971	1972	1973 indications as percentage of 1972
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Pct.
Meats (carcass weight)	160.9	178.3	186.3	191.8	188.9	95
Beef	85.1	106.5	113.7	113.0	116.0	97
Veal	6.1	3.8	2.9	2.7	2.2	91
Lamb and mutton	4.8	3.9	3.3	3.1	3.3	82
Pork (excluding lard)	64.9	64.1	66.4	73.0	67.4	94
Fish (edible weight)	10.3	10.6	11.8	11.4	12.2	101
Poultry products:						
Eggs (farm basis)--Number *	334	320	311	314	307	96
Chicken (ready-to-cook) *	28.0	37.2	41.5	41.4	42.9	97
Turkey (ready-to-cook) *	6.1	8.6	8.2	8.5	9.1	100
Dairy products:						
Cheese	8.3	10.1	11.5	12.2	13.2	105
Condensed and evaporated milk	13.7	9.0	7.1	6.8	6.4	92
Fluid milk and cream (milk equivalent)	322	285	264	259	258	100
Ice cream (product weight)	18.3	17.8	17.7	17.5	17.5	101
Fats and Oils--Total, fat content	45.3	49.4	53.3	52.1	53.3	100
Butter (actual weight)	7.5	5.5	5.3	5.1	4.9	96
Margarine (actual weight)	9.4	10.5	11.0	11.1	11.3	100
Lard	7.6	5.4	4.7	4.3	3.8	82
Shortening	12.6	15.9	17.3	16.8	16.7	101
Other edible fats and oils	11.5	15.2	18.2	18.0	19.6	105
Fruits:						
Fresh *	93.4	81.0	81.2	79.8	76.8	104
Citrus *	33.7	31.6	28.6	29.2	27.2	109
Apples (commercial) *	18.3	16.2	18.3	16.1	17.2	98
Other (excluding melons) *	41.4	33.2	34.3	34.5	32.4	103
Processed:						
Canned fruit	22.6	22.6	23.3	21.9	21.7	97
Canned juice	13.0	11.7	14.6	15.9	15.7	103
Frozen (including juices)	9.1	10.1	9.8	10.2	10.1	110
Dried *	3.1	2.8	2.7	2.6	2.2	118
Vegetables:						
Fresh 2/ *	105.9	98.2	98.5	98.6	98.2	98
Canned, excluding potatoes and sweetpotatoes *	43.4	49.0	51.1	51.2	51.9	100
Frozen, excluding potatoes	7.0	9.0	9.7	9.7	10.0	106
Potatoes, fresh equivalent *	108.4	108.0	117.7	118.9	119.6	97
Sweetpotatoes, fresh equivalent *	7.1	5.8	5.6	4.9	4.9	98
Grains:						
Cornmeal and flour	6.6	7.2	7.4	7.4	7.4	100
Corn sirup	10.1	14.1	15.8	16.2	18.2	100
Corn sugar	3.7	4.6	5.0	5.0	4.8	100
Wheat flour 3/	118	112	110	110	109	100
Wheat cereals	2.8	2.9	2.9	2.9	2.9	100
Rice, milled *	6.1	7.5	6.7	7.7	7.0	103
Other:						
Coffee (green beans)	15.8	14.8	13.8	13.3	13.9	99
Tea	.59	.69	.72	.77	.77	101
Cocoa beans	3.6	4.2	3.9	4.0	4.4	93
Peanuts (shelled)	4.9	5.7	5.9	5.9	6.1	102
Dry edible beans *	7.3	6.9	5.9	5.9	6.2	100
Melons *	25.8	22.3	23.3	22.7	21.9	100
Sugar (refined)	97.6	97.3	102.5	102.4	103.0	100
	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Civilian population 4/	178.1	195.2	201.6	204.2	206.5	101

1/ Quantity in pounds, except for eggs. Data on calendar year basis except for dried fruits, which are on pack-year basis, fresh citrus fruits and peanuts on a crop-year basis, and rice on August 1 year. Fresh citrus year begins in previous October and rice year begins in previous August.

2/ Commercial production for sale as fresh produce.

3/ Includes white, whole wheat, and semolina flour.

4/ July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

* Data have been revised based on information from the 1969 Census of Agriculture.

through April. However, high prices did not appear to have reduced consumption, and with supplies abundant, consumption of fillets should exceed last year.

Supplies of canned tuna and canned sardines were above 1972 during the first half of this year. Through the end of the year, supplies of these two products should be sufficient to support modest gains in consumption. However, the 1973 canned salmon pack has been extremely poor. This, coupled with last year's low pack, has drawn inventories of canned salmon down sharply. Anticipated gains in consumption of canned tuna and sardines will therefore be largely offset by losses in salmon, and per capita consumption of canned fishery products, in total, is not expected to be above last year.

Supplies of shrimp were up 5 percent in the first half of the year, the result of a 33 percent greater inventory position at the beginning of the year. During the first 6 months, reduced landings and imports caused inventories to be drawn down extensively. Consumption, which had shown signs of increasing because of plentiful supplies during the January-June period, is now expected to be below normal for the rest of the year. Supplies of most other shellfish, particularly lobster tails and scallops, should be adequate to satisfy demand for the remainder of the year at present high prices.

Poultry.—Though turkey consumption this year is likely to equal the 9.1 pounds consumed in 1972, chicken use is expected to be off about a pound from the record high 42.9 pounds of last year. Through the first five months, turkey consumption averaged more than a tenth greater than in the same period of 1972 while chicken consumption fell 2 percent. For the second half per capita consumption of both chicken and turkey will likely be a little smaller than last year. In first-half 1974, per capita supplies of poultry may be back on the upward trend.

Broiler meat output during January-June was nearly 2 percent below a year earlier. Output will decline further in the next 2 or 3 months but likely will gain relative to 1972 in the fall. Broiler chick placements for marketings during August and early September are down about 2 percent. However, as a result of high feed prices, producers sharply reduced hatching activity. It was down 8 percent for the 3 weeks ending July 7 and this will be reflected in September broiler marketings. With the cost pass-throughs allowed by Phase IV, fall marketings are expected to gain relative to 1972.

Turkey meat production for January-June this year was up 6 percent from a year ago, but output is expected to slip below 1972 levels in coming months. Poult production in April-June, accounting for most of the heavy fall crop, was down about 1 percent. Thus, turkey meat output will lag 1972 during the balance of 1973. Sharply higher feed costs and expectations for reduced profitability resulted in producers cutting back on earlier production plans.

Eggs.—Per capita consumption of eggs this year will slip well below last year's 307 eggs to the lowest level since the mid 1930's. In the first half, consumption averaged 5 percent below a year earlier and in remaining months it will average about 3½ percent lower than the reduced second-half level last year.

Egg output through June this year was down nearly 6 percent from the same months of 1972. Monthly egg output had been down nearly 8 percent early in the year but the gap narrowed to less than 5 percent in June. Layer numbers on July 1 were down 6 percent from 1972 and the lowest for this date since the early 1960's. Increased costs of production, mainly feed, combined with retail price ceilings, in effect until July 18, resulted in stepped-up marketings of old flocks in late June and early July. High feed costs has limited production of pullets for flock replacements for the remainder of the year. Thus, output likely will not reach year-earlier levels this fall as earlier expected.

Dairy products.—Though milk production will likely be down around 2 percent this year, the reduction is not expected to have much effect on consumption of dairy products in the United States. Exports will be sharply less than last year and imports sharply more. Also, stock levels at the end of 1973 may be about a fourth lower than last year.

Per capita consumption of cheese is expected to be up about 5 percent and frozen dairy desserts up 2 percent in 1973. The upward trend for consumption of lowfat fluid milks will continue. Consumption of butter and canned milks will be down substantially, in part because of reduced donations under USDA's Commodity Distribution Program.

In the first half of 1973, commercial disappearance of milk in all dairy products (milk equivalent, fat solids basis) was up about 2½ percent from a year earlier. Sales increased for cheese, frozen desserts, nonfat dry milk, and fluid milk products but declined for butter and canned milk.

Declining milk output in the face of increased sales is limiting USDA dairy removals. Price support purchases this year will likely be the lowest since the 0.6 billion pounds milk equivalent bought in 1966, and nonfat dry milk removals may be the lowest since the early 1950's. Dairy product donations to needy families, schools and institutions through the Commodity Distribution Program will be curtailed again this year. In terms of milk equivalent, this program accounted for 4.5 billion pounds in 1971, dropped to 3.9 billion in 1972, and will decline even more steeply this year. In 1971 7 percent of civilian consumption of dairy products, milk equivalent basis, was accounted for under USDA programs (through partially subsidized fluid milk distribution in addition to commodity donation). They will furnish only about 5 percent this year.

On July 18, the President took emergency action to temporarily increase nonfat dry milk import quotas by 80 million pounds. This was in addition to the 85 million pounds of nonfat dry milk allowed to enter earlier this year and to the normal 1.8 million pound quota. Also, cheese quotas were temporarily increased by 50 percent (about 64 million pounds) which had to be entered by July 31.

Fats and oils.—during calendar 1973, per capita consumption of edible food fats is expected to total close to 53½ pounds, not changed from the previous year. Although shortening and cooking and salad oil use is expected to increase, butter and lard use will be down. The direct use of lard is expected to decline sharply, reflecting smaller supplies. Lard exports and lard used in margarine and shortening also will be down.

Edible use of peanuts is estimated at about 6 pounds per person (kernel basis) not much changed from the past several years. Peanut supplies are large and in excess of requirements. However, prices are higher, due to increased mandatory support prices.

Fruits.—With a record citrus crop in 1972/73 for the second season in a row and production of deciduous fruits much above the low levels of 1972, fruit consumption per person this year is expected to be up around 5 percent. A gain of 4 pounds per person is expected in fresh use, with citrus consumption increasing nearly 2½ pounds.

Consumption of processed citrus products will be up significantly, accounting for all of the 5 percent rise in processed fruit use. Frozen citrus concentrate use is estimated to be up 16 percent, and per capita consumption of canned and chilled juice also will rise. The new pack of canned deciduous fruit this summer and fall will likely be up about 12 percent from the abnormally low level last year. However, this level of production merely replenishes stocks. Per capita consumption of canned fruit will likely be down about 3 percent from the 1972 level. The carryover of canned fruit into 1974—which makes up the supply until next summer's harvest—is expected to be little above the carry-in of 1973. This level of stocks is much below the burdensome levels of several previous years but is expected to be adequate to meet demand.

Supplies of deciduous fruits are substantially larger this summer than last. The total of all U.S. deciduous fruit crops for which 1973 production estimates are available is 27 percent more than last year's utilized production but only 2 percent above the relatively normal 1971 crop.

Total peach production is expected to be 10 percent above last year (table 8). California Clingstones, most of which are for processing use, are forecast 9 percent more than a year ago. For freestones, which are mostly used fresh, the nine Southern States produced only slightly more than last year. Most of the later-producing States will have much larger crops. Pear production is estimated to be 18 percent above last year's small crop. West Coast Bartletts account for about 70 percent of the total with a crop 19 percent above last year. Apricot, sweet cherry, and plum crops also are larger.

California's grape production is expected to be 63 percent above last year's low level and the most since 1965. Production of all varieties is up sharply, with raisin varieties up 73 percent, table varieties 64 percent and wine varieties 43 percent.

The Nation's 1973 apple production is forecast at 6.1 billion pounds, 4 percent larger than last year but 5 percent smaller than 1971. Production in the Western States (primarily for fresh use) is up 29 percent. However, it is down 25 percent in the Central States and slightly lower in the Eastern States.

As of early July, approximately 85 percent of the 1972/73 orange crop had been marketed, and quantities remaining to be harvested this summer substantially exceed a year ago. Grapefruit harvest is complete in Florida and Texas, but remaining supplies in California and Arizona are below last year. Lemon supplies remaining for harvest are also below a year ago. Prospects for new crop citrus, for which harvest begins late this year, are termed good to excellent.

Reflecting record citrus production, output of most processed citrus items has increased materially. Florida's pack of frozen concentrated orange juice through early July was 160 million gallons, 25 percent above a year ago. This is already well above last season's record pack of 134 million gallons, and with a relatively large quantity of Florida Valencia oranges remaining for harvest, total output this season will be up sharply.

Vegetables.—The anticipated 2 percent decline in per capita consumption of fresh vegetables in 1973 is now expected to slightly more than offset the increase projected for processed vegetables. Fresh vegetable consumption is expected to be down about 2 pounds per person from the stable 98½-pound level of the last 3 years. Consumption of both canned and frozen vegetables will be record large, with canned up only slightly from the 53.8 pounds per capita consumed in 1972 and frozen gaining about 6 percent over the 10 pounds of last year. Fresh use of potatoes and sweetpotatoes will continue down more rapidly than last year but this will largely be made up by an increase in consumption of potatoes in processed forms.

The potential output from 14 summer vegetable crops would be 2 percent larger than a year ago. Much of this increase resulted from delayed California and Texas spring harvests which continued into the summer quarter. Larger supplies of sweet corn, lettuce, and celery are expected along with more watermelons and cantaloups; tomato and cabbage production is projected lower. In addition to these

items, the summer onion crop is substantially larger.

By late June, the price ceilings on fresh vegetable items had created marketing uncertainty. Some brokers and wholesalers were not in a position to deliver usual quantities of many fresh vegetables to their regular customers.

Substantially larger acreages have been planted in processing vegetables this season. Compared with 1972, the area committed to these crops indicates slightly higher percentage increases for the canned pack than the frozen pack.

Carryover of frozen items into the 1973/74 pack season is only moderately larger than the unusually low 1972 figure. The canned vegetable carryover this summer was the smallest in years. The larger packs expected are likely to find a ready market.

Summer potato production is forecast 9 percent below a year ago, with less acreage and lower yields. Stocks of frozen potato products are lighter than a year earlier and demand will continue strong in the face of relatively high fresh potato prices. According to the August crop report, planted acreage of fall crop potatoes which will provide the bulk of supplies through next winter was 6 percent above the 1972 crop.

Sweetpotato acreage will be virtually the same as last year. Processing States expect to harvest a larger acreage.

The 1.4 million acres planted to dry beans are 1 percent less than last year, but up from earlier intentions. Recent high prices probably encouraged some additional planting in several major States. However, based on yield trends, 1973 production might be 3 percent less than 1972. Projected dry pea production is up only slightly, with 1973 acreage less than 1 percent more than a year ago.

Grain products.—Per capita consumption of grain products used directly for food is expected to be about equal to last year's level despite record export sales and substantially higher prices during the past year. While stock levels of major grain crops have been drastically reduced, substantially larger crops are expected to be harvested this summer and fall. Year-end stocks of both food and feed grains will be quite low relative to other recent years and current levels of disappearance.

Wheat flour consumption is forecast at 109 pounds per person in 1973, unchanged from last year. Per capita consumption of corn grain products used directly for food and wheat cereal products are also expected to total the same as a year earlier. Milled rice consumption may increase slightly.

SUPPLY AND UTILIZATION

Net production of U.S. farm food commodities may total 3 percent more this year than in 1972 (table 7). This year's output of livestock food commodities will likely decline 3 percent, but will be more than offset by a possible increase of around a tenth in output of crop food commodities.

Beginning 1973 stock levels were down 4 percent from beginning 1972 stock levels. Moreover, because of increased utilization during 1973, carryout stocks of crop food commodities may not be greatly changed from beginning 1973 stock levels. And livestock food product stock levels may well be down further from beginning 1973 levels. This will be the third successive year that ending stock levels of livestock food products have declined.

Food crop output prospects good

Much of the outlook for food crop production is keyed to the 1973 food grain, feed grain, soybean, and fruit and vegetable crop prospects. Based on the July *Crop Production Report*, prospective food grain production—wheat, rice and rye—will total approximately 58 million tons, up 13 percent from last year (table 8). Indicated wheat production is up 13 percent and rice output 22 percent.

Total feed grain production may total 211 million tons, up 6 percent over 1972. Corn output is near 6 billion bushels. The previous record was 5.6 billion bushels in 1971. Prospective production of sorghum, oats and barley will also increase this year.

Production of soybeans may total nearly 1.6 billion bushels, up 24 percent from a year ago. In the past 2 decades, soybean production increased in every year except 1959, 1962, and 1970. The annual average increase since 1953 was 9 percent. Thus, the prospective 1.6 billion bushel crop this year will be nearly 6 times larger than the 269 million bushels in 1953. Because of the large crop, carryout stocks may be modestly larger at the end of the marketing year than for the previous 2 seasons.

Production of fruit is expected to increase—for noncitrus, about a fourth and citrus nearly 15 percent.[1] Citrus fruit will account for around three-fifths of fruit production and noncitrus, two-fifths. Orange production this year totaled 9.8 million tons, up nearly a fifth from last year. Production of grapefruit increased slightly, while the increase in lemons more than offset declines in production of minor citrus fruit.

Prospective grape production in California will total 3.7 million tons this year, reflecting a nearly two-thirds increase from last year's poor crop. Production of apples, peaches, pears, sweet cherries, apricots, plums, and prunes is expected to increase over 1972 levels.

[1]The citrus crop referred to here is the November 1972/October 1973 crop.

Table 7.--Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1967-73 1/

Year	Supply			Total annual utilization	Utilization					
					Domestic					Exports and shipments 4/
					Food		Nonfood		Total	
	Production	Imports 2/	Stocks 3/		Civilian	Military	Seed and feed	Other		
	A.--All food commodities indexes: (1967=100) 5/									
1967	100.0	100.0	100.0	100.0	100.0	100.0	---	100.0	100.0	100.0
1968	100.3	111.7	109.1	102.1	102.5	97.9	---	101.6	102.3	100.5
1969	100.7	101.2	116.5	102.6	104.3	83.4	---	101.9	103.8	93.3
1970	98.4	105.1	120.7	105.7	105.7	70.3	---	91.6	104.5	114.1
1971	108.0	110.8	111.8	107.7	108.7	62.9	---	89.0	107.1	111.6
1972 6/	104.8	115.1	123.4	111.2	109.6	50.6	---	89.6	107.7	136.8
1973 6/	108.2	114.9	118.4	112.6	108.2	45.2	---	88.9	106.3	159.6
	Livestock food commodities (1967=100)									
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	100.6	109.3	128.8	102.1	102.2	99.6	96.7	103.1	102.0	106.2
1969	100.9	114.2	112.0	102.6	103.1	85.1	100.0	102.3	102.6	104.2
1970	103.6	125.0	96.8	104.8	105.8	71.6	102.0	96.1	104.7	109.1
1971	106.3	116.9	106.9	107.6	108.7	61.8	100.5	89.9	107.1	128.6
1972 6/	105.9	134.5	102.4	108.0	109.4	49.7	105.4	91.2	107.7	121.3
1973 6/	102.7	141.3	93.3	104.9	106.7	43.7	100.0	87.3	104.7	111.7
	Crop food commodities (1967=100)									
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	101.6	112.1	107.9	102.9	103.0	90.8	105.0	100.8	103.6	99.7
1969	103.8	98.3	116.7	105.3	107.2	76.9	110.2	101.7	107.9	91.7
1970	98.1	100.6	121.8	109.3	105.7	65.4	114.1	89.3	108.1	114.8
1971	113.3	109.3	112.1	110.8	108.8	67.2	117.4	88.5	111.1	109.2
1972 6/	111.6	110.3	124.4	119.9	109.9	54.2	127.2	88.8	115.6	138.9
1973 6/	121.3	108.4	119.6	125.5	111.7	51.1	126.6	89.6	116.3	166.3
	B.--All food commodities: Percentage of annual utilization 5/									
1967	93.0	10.3	-3.3	100.0	83.4	1.9	---	2.8	88.1	11.9
1968	91.3	11.3	-2.6	100.0	83.7	1.8	---	2.7	88.2	11.8
1969	91.3	10.2	-1.5	100.0	84.8	1.5	---	2.8	89.1	10.9
1970	86.6	10.3	3.1	100.0	83.5	1.2	---	2.4	87.1	12.9
1971	93.3	10.6	-3.9	100.0	84.2	1.1	---	2.3	87.6	12.4
1972 6/	87.7	10.7	1.6	100.0	82.2	.8	---	2.3	85.3	14.7
1973 6/	89.4	10.5	.1	100.0	80.2	.7	---	2.2	83.1	16.9
	Livestock food commodities: Percentage of annual utilization									
1967	97.5	3.3	-.8	100.0	91.9	2.3	2.1	1.4	97.7	2.3
1968	96.0	3.5	.5	100.0	91.9	2.3	2.0	1.4	97.6	2.4
1969	95.9	3.7	.4	100.0	92.2	1.9	2.1	1.4	97.6	2.4
1970	96.3	3.9	-.2	100.0	92.7	1.6	2.0	1.3	97.6	2.4
1971	96.3	3.6	.1	100.0	92.8	1.3	1.9	1.2	97.2	2.8
1972 6/	95.7	4.1	.2	100.0	93.1	1.1	2.0	1.2	97.4	2.6
1973 6/	95.5	4.4	.1	100.0	93.3	1.0	2.0	1.2	97.5	2.5
	Crop food commodities: Percentage of annual utilization									
1967	90.4	14.6	-5.0	100.0	44.6	.7	33.1	3.3	81.7	18.3
1968	89.2	15.9	-5.1	100.0	44.6	.6	33.8	3.2	82.2	17.8
1969	89.4	13.6	-3.3	100.0	45.6	.5	34.7	3.2	84.0	16.0
1970	84.1	13.4	5.5	100.0	43.1	.4	34.5	2.7	80.7	19.3
1971	92.4	14.4	-6.8	100.0	43.8	.4	35.0	2.7	81.9	18.1
1972 6/	84.2	13.4	2.4	100.0	40.8	.3	35.1	2.5	78.7	21.3
1973 6/	87.4	12.6	0	100.0	39.6	.3	33.4	2.4	75.7	24.3

1/Quantities weighted by constant farm prices. Domestic use allocated on basis of value of processed products. Includes essentially all commodities having any U.S. food use; for item list, see NFS-124; for 1950-64 data see NFS-136. 2/Includes shipments from U.S. Territories. 3/Farm (other than live animals), commercial, and Government program holdings. Section A: January 1; derived by applying annual changes to January 1961 level. Section B: Represents stock changes. Negatives indicate stock increases; positives signify withdrawals. 4/Includes shipments to U.S. Territories. 5/ Feed and seed omited from total commodities to avoid double counting of use through livestock. 6/Preliminary.

Table 8.--Production of selected food crops, 1971-73

Crop	Unit	1971	1972	Indicated 1973	
				Total	Change from 1972
					Percent
Food grains:					
Wheat:					
Winter	Mil. bu.	1,144	1,186	1,320	11
Spring, durum	Mil. bu.	92	73	87	19
Other spring	Mil. bu.	382	286	342	20
Total wheat	Mil. bu.	1,618	1,545	1,749	13
Rice	1,000 tons	4,288	4,258	5,178	22
Rye	Mil. bu.	49	30	25	-17
Total food grains	1,000 tons	54,200	51,448	58,348	13
Feed grains:					
Corn (for grain)	Mil. bu.	5,641	5,553	5,880	6
Sorghum (for grain)	Mil. bu.	876	822	867	5
Oats	Mil. bu.	881	695	717	3
Barley	Mil. bu.	464	423	440	4
Total	1,000 tons	207,708	199,772	210,948	6
Soybeans, for beans	Mil. bu.	1,175	1,283	1,588	24
Sugar crops:					
Sugarcane	1,000 tons	24,172	28,397	29,171	3
Sugarbeets	1,000 tons	27,096	28,406	26,055	-8
Peanuts, for nuts	1,000 tons	1,503	1,637	1,658	1
Potatoes	1,000 cwt.	319,354	294,490	1/	-3
Dry edible beans	1,000 cwt.	15,917	18,015	17,508	-3
Dry field peas	1,000 cwt.	3,930	2,103	2,203	5
Citrus fruit:					
Oranges	1,000 tons	8,222	8,237	9,766	19
Grapefruit	1,000 tons	2,472	2,623	2,662	1
Other 2/	1,000 tons	1,205	1,270	1,426	12
Total	1,000 tons	11,899	12,130	13,854	14
Noncitrus fruit:					
Grapes (California)	1,000 tons	3,534	2,266	3,700	63
Apples	1,000 tons	3,040	2,905	3,026	4
Peaches	1,000 tons	1,431	1,207	1,324	10
Other 3/	1,000 tons	1,437	1,224	1,472	20
Total	1,000 tons	9,442	7,602	9,522	25
Vegetables for fresh market 4/	1,000 tons	7,774	7,906	7,820	-1
Vegetables for processing 5/	1,000 tons	9,892	10,206	11,037	8

1/ Production not available; percent change refers to acreage for harvest.

2/ Lemons, tangelos, tangerines, and Temple oranges only.

3/ Seven major items (pears, sweet cherries, tart cherries, apricots, nectarines, and California plums and dried prunes).

4/ Includes melons. Reported production winter through spring and indicated production for summer through late summer.

5/ Nine major items (green lima beans, snap beans, beets for canning, sweet corn, cucumbers for pickles, green peas, tomatoes, cabbage for kraut, and spinach).

Source: Crop Production, July 10, 1973, Vegetables - Fresh Market, July 9, 1973, and Vegetables - Processing, June 28, 1973. Statistical Reporting Service.

Production of peanuts, sugarcane, and dry peas is expected to increase. Crop food commodities with likely declines include sugarbeets, potatoes, fresh market vegetables, and rye.

Livestock food output prospects not so good

While larger output is expected for crop food products, the only livestock food products with expected larger output this year are cheese, ice cream and other frozen dairy products, milk for fluid use, and honey. Production of the following livestock food products will almost surely fall short of the 1972 level: Beef, veal, lamb, pork, chicken, and eggs. Reduction in total milk production will be reflected in lower output of butter and nonfat dry milk. Production of turkey seems likely to approximate last year's level.

Little change in imports

Prospective 1973 imports of farm food commodities will about match last year's levels. An expected 5 percent increase in livestock food products will be offset by a nearly 2 percent drop in imports of crop food products.

For livestock food products, imports of beef, veal, eggs, cheese, and nonfat dry milk will likely be higher in 1973 to partly compensate for lower domestic output. Imports of pork and lamb will be down some. For crop food commodities, imports of coffee, tea, and most fresh and processed fruit and vegetable products (including melons) are expected to increase. Imports of sugar and semiprocessed cocoa and chocolate are expected to decline.

Volume of exports to rise again

The volume of food commodity exports is expected to increase subsantially this year, subject to realization of present crop production indications and to liberal export control.

For crop food products, exports of wheat, rye, corn, sorghum, oats, barley, soybeans (including meal), peanuts, and most fresh and processed fruit products are expected to increase. Little change is anticipated in exports of fruits and vegetables, both fresh and processed.

For livestock products, the big decline in exports will occur in butter and nonfat dry milk. There will also be some declines in condensed milk, cheese, and chicken. Exports of eggs may change little. Exports of beef, pork, turkey, and honey are expected to increase this year.

Domestic utilization increase to slow

Another increase in net utilization of farm food commodities is expected this year but the prospective increase of just over 1 percent is below the more than 3 percent gain in 1972.[2] In fact, civilian food use (and military food use as well) which accounts for over four-fifths of total utilization of farm food products is expected to be down slightly this year. All of this prospective decline is coming from the livestock sector, expected to more than offset the increase in use from the crop sector.

[2]Net utilization excludes seed and feed uses to avoid duplication in total use.

SUGAR AND TROPICAL PRODUCTS

SUGAR AND OTHER SWEETENERS

U.S. sugar requirements (determined by the Secretary of Agriculture) continue at 11.5 million tons, raw value. If the raw sugar price differs from the statutory price objective by more than 4 percent for 7 consecutive market days (3 percent November-December) the requirement must be revised.

Deliveries by primary distributors through July 28 were fractionally above the 6.4 million tons in that period a year ago.

Domestic sugar crops—cane up, beets down

Sugarcane acreage in U.S. and Puerto Rico this year is estimated at 910,000 acres, up 6 percent from last year. This reflects a 9 percent rise in Florida, small increases in Louisiana and Hawaii, as well as 25,000 acres to supply a new Texas mill. Prospects for sugarbeets indicate 1,241,000 acres for harvest, about 7 percent less than a year ago.

Despite the 6 percent increase in sugarcane acreage, current indications are that production will rise less than 3 percent. Florida's record high yields last year probably can not be maintained.

Sugar beet production is expected to be down somewhat more than the 7 percent reduction in acreage would suggest because of less favorable planting and growing conditions this year than last.

World production up—but supplies continue tight

World sugar production during 1972/73 is estimated at a record 83.4 million short tons, up nearly 8 percent from the previous year. Output was up in Cuba, Dominican Republic, U.S. mainland cane and beets, Argentina, Brazil, Poland, South Africa, India, Mainland China, the Philippines and Australia. Production declined in France, West Germany and the United Kingdom. Output in the U.S.S.R. was about the same.

However, world consumption has been increasing faster than world production in recent years. For 1972/73, it was probably about a million tons or more

above production. Thus, carryin stocks for 1973/74 were further reduced from the low 16.5 million short tons at beginning 1972/73.

High world prices which have prevailed since the end of 1971 are expected to stimulate a further expansion in the 1973/74 crop (May/April). World consumption is expected to increase also, but with carryin stocks so low that they can hardly be reduced further, world consumption is likely to be limited to about the level of production in 1973/74 for the first time in several years. This implies continued high prices. Investment money in many countries is not overly plentiful. Also there is some fear that over investment in processing capacity and cane sugar production could result in a price crunch with sugar prices dropping below production costs eventually, as occurred in the mid and late 1960's.

Sugar prices rise

The volatile world price (f.o.b. stowed, port of origin) averaged $7.43 per hundredweight in calendar year 1972, increased to $9.12 in first quarter 1973 and to $9.50 in the second quarter (table 9), the highest level since first quarter 1964, reflecting the currently tight supply situation. The U.S. raw sugar price (New York spot) averaged $9.99 per hundredweight in the second quarter, up from $9.32 in the first quarter (table 9).

The recent freeze on retail prices and the inability to pass on raw sugar price increases temporarily reduced refiner demand for raw sugar and created shortages of refined sugar in some markets. Under Phase IV both wholesale and retail refined sugar prices will probably rise, reflecting both the current level and prospective further increases in raw sugar prices.

International Sugar Agreement Negotiations

From May 7 to May 30, the first session of an international sugar conference met in Geneva under the auspices of the United Nations Conference on Trade and Development to negotiate a new agreement to take effect upon expiration of the present one at the end of the year. The second session will be held during September 10 to October 10. The suggestion by the European Common Market of extending the present International Sugar Agreement another 2 years was rejected. While the United States in not a member of the present International Sugar Organization, it participates in the negotiations as a member of the United Nations.

Corn sweeteners—both deliveries and prices up

Corn sirup shipments for food use totaled 387,000 tons (dry basis) in the first quarter this year, up nearly a fifth from a year ago. It appears part of the increase consisted of high-levulose type corn sirup which first became available in commercial quantities in 1972. First quarter dextrose deliveries for food use totaled 109,000 tons, up less than 5 percent from the same quarter a year ago.

Corn sirup prices have increased sharply from 1972 lows, averaging $6.14 per hundredweight (dry basis) in Chicago in the second quarter this year, up from $5.04 in the first quarter and $4.38 in fourth quarter 1972 (table 9). Dextrose prices have also increased but much less than corn sirup.

Prices of corn grain have more than doubled during the past year. Moreover, corn sirup processing capacity barely suffices to fill industrial users' demand—particularly of the new high-levulose type. Thus, corn sirup prices are not likely to drop in the near future.

Honey situation

This year's honey crop may total between 235 and 250 million pounds. The short crop (197 million pounds) in 1971 plus only 215 million pounds last year, has reduced carryin stock levels to about half the level of several years ago. Imports will likely decline sharply this year from last year's 39 million pounds, perhaps a fourth as large, and exports may be 2 to 3 times larger than the 4.1 million pounds shipped in 1972. The 27 cents per pound received by growers for bulk unprocessed honey last year doesn't appear likely to decline much this year despite larger production, and may increase.

Maple sirup output down

U.S. maple sirup production totaled 877,000 gallons this year, down a fifth from a year ago. Vermont's production of 344,000 gallons was up from last year, to represent 40 percent of U.S. output. Production was also up in Wisconsin and Minnesota. But production in some of the remaining States was less than half the 1972 level. Imports of maple sirup and maple sugar together are up by about the same magnitude that U.S. production has declined. Thus, maple sirup supplies in total this year will probably match last year's level of 2.03 million gallons (pure maple sirup basis).

Confectionery sales decline

Manufacturers' shipments of confectionery products totaled 3.79 billion pounds last year, down nearly 2 percent from the previous year. The value of these shipments totaled nearly $2 billion, approximating the 1971 level. Per capita consumption of 18.8 pounds was down half a pound from 1971, continuing a decline which began in 1968. The decline in consumption likely reflects, among other things, a declining proportion of children in the population.

Table 9.--U.S. sweeteners and beverages: Selected prices, 1972 and 1973

Commodity	1972					1973	
	Year	I	II	III	IV	I	II
	Cents per pound 1/						
Sugar							
Raw:							
New York, duty paid	9.09	9.09	8.81	9.30	9.18	9.32	9.99
World, f.o.b. Caribbean	7.43	8.53	6.96	6.30	7.92	9.12	9.50
Quota premium 2/	+.56	-.51	+.76	+1.88	+.08	-1.11	-.84
Refined:							
Wholesale:							
Northeast, cane 3/	13.09	12.94	13.20	13.20	13.01	13.09	13.60
Chicago-West, beet or cane 3/	11.82	11.83	11.90	11.90	11.65	11.62	11.86
Pacific Coast, beet or cane 3/	11.65	11.40	11.70	11.70	11.79	11.53	11.96
Bulk, dry beet, f.o.b. plant 4/	10.59	10.29	10.62	10.65	10.82	10.77	10.94
Retail, U.S.: 5-pound package	13.90	13.82	13.92	13.86	14.02	14.23	14.62
Corn sweeteners							
Wholesale, Chicago:							
Corn sirup 4/	4.52	4.65	4.46	4.57	4.38	5.04	6.14
Dextrose 4/	10.00	10.00	10.00	10.00	10.00	10.05	10.65
Cocoa and chocolate							
Wholesale, New York:							
Cocoa beans, "Accra"	32.3	26.9	30.0	34.5	37.7	39.7	61.2
Cocoa butter	72.2	60.9	65.8	76.8	85.4	91.5	141.6
Retail, U.S.:							
Chocolate bar (1-oz.) 5/	6.7	6.7	6.7	6.7	6.7	6.7	6.9
Chocolate sirup (16-oz. container)	25.2	25.5	25.3	24.9	25.0	25.3	26.1
Coffee							
Wholesale, green, New York:							
Colombian, Manizales	57.1	51.5	53.0	62.2	61.5	71.7	72.8
Mexican washed	50.5	46.5	47.3	55.2	53.0	63.3	60.8
Brazilian, Santos No. 4	52.5	44.9	47.6	60.8	56.7	61.5	65.7
Robusta, Ambriz No. BB	42.7	42.5	43.3	46.2	46.8	48.8	48.6
Retail, U.S.:							
Roasted, can	92.7	92.1	91.8	92.4	94.7	97.9	103.0
Roasted, bag	74.5	73.1	72.8	73.7	78.5	79.7	84.6
Instant soluble (6-oz. jar) 5/	109.3	110.2	109.9	108.2	108.9	111.9	115.7
Tea							
Wholesale, black, New York	50.7	51.4	53.0	49.9	48.4	47.8	48.6
Retail, package of 48 tea bags 5/	64.9	64.0	65.0	65.2	65.5	65.5	66.0
Soft drinks							
Wholesale, cola drinks (Index, 1967=100)	126.3	124.2	126.7	126.9	127.3	127.3	125.6
Retail:							
Cola drinks (6 12-oz. bottles) 5/	83.3	82.8	83.0	83.3	84.1	84.6	85.9
Carbonated fruit drink (6 12-oz. bottles) 5/	73.2	72.6	72.8	73.3	74.0	74.3	75.2

1/ Except as noted. 2/ Difference between New York and world prices, adjusted to exclude about 1 cent for duty computed freight from Greater Caribbean ports (including Brazil), insurance, and unloading charges. 3/ Basis price, 100 lb. paper bags, carload lots. 4/ Carload lots, dry basis. 5/ Cents per unit.

Source: Sugar prices (except bulk, dry, refined beet, f.o.b. plant and U.S. average retail--BLS data) from Sugar Reports; wholesale cocoa and cocoa butter prices from Journal of Commerce; all other data from Bureau of Labor Statistics.

Confectionery shipments, sales, average value, and consumption, 1966-72

Year	Manufacturer's[1]			Per capita consumption[2]
	Shipments	Sales	Average value per pound	
	Billion dollars	*Billion dollars*	*Cents*	*Pounds*
1966	3.67	1.54	42.1	19.2
1967	3.77	1.64	43.7	19.6
1968	3.91	1.76	44.9	20.3
1969	3.89	1.85	47.5	19.9
1970	3.94	1.91	48.5	19.9
1971	3.87	1.97	51.0	19.3
1972	3.79	1.98	52.1	18.8

[1] Includes data for manufacturer-wholesalers, chocolate manufacturers, and manufacturer-retailers, except single shop operations. [2] Production plus imports minus exports divided by population on July 1.

Source: Bureau of Domestic Commerce, U.S. Dept. of Commerce.

Slower rise in soft drink consumption

The beverage industry uses over 22 percent of sugar deliveries annually and is second to consumer-size packages as a market for sugar. Per capita soft drink consumption totaled 25.4 gallons last year, or 1 gallon more than in 1971. A cool wet summer across most of the Nation last year limited the increase to slightly over 4 percent compared to 7 percent in 1971. About 9 percent of consumption last year consisted of low-calorie soft drinks compared with 7 percent in 1971.

Soft drinks: Production, sales, average value, and consumption, 1966-72

Year	Manufacturers'			Per capita consumption	
	Production	Sales	Average value per case[1]		
	Billion cases[1]	*Billion dollars*	*Dollars*	*8-ounce unit*	*Gallons*
1966	2.35	3.18	1.35	287	17.9
1967	2.47	3.46	1.40	298	18.6
1968	2.78	4.17	1.50	332	20.7
1969	2.91	4.37	1.50	345	21.5
1970	3.10	4.80	1.55	363	22.7
1971	3.35	5.35	1.59	388	24.3
1972	3.54	5.68	1.60	406	25.4

[1] Includes fountain sirup; equivalent cases of 24 8-oz containers.

Source: *1972 Sales Survey of the Soft Drink Industry*, National Soft Drink Association, Washington, D.C. 1973, p. 16.

COFFEE

Per capita consumption

Per capita consumption this year is expected to fall slightly short of last year's 13.9 pounds. First quarter roastings of 692 million pounds were down 2 percent from the same quarter in 1972.

Imports Up

Base on trends for the first 6 months, annual imports may total over 10 percent higher than the 2.9 billion pounds of 1972. With consumption expected to total slightly less than last year, U.S. stocks stand to gain.

1973/74 crop down 9 percent

According to the Foreign Agricultural Service, the 1973/74 world coffee crop is expected to total about 67 million bags (132.3 pounds each). This is nearly 9 percent less than last year's crop. The current crop level largely reflects the July 1972 frost in Parana, Brazil. Moreover, the effects of a 3-year drought in West Africa have lowered output in certain African countries.

Prospective exportable production (total harvested production less estimated domestic consumption in producing countries) will total about 47 million bags, down 7 million bags from last year. World exports are expected to total about 54 million bags, continuing the pattern of recent years in which world exports have exceeded exportable production resulting in a further drawdown in world stocks. By the end of the marketing year, world stocks will have been drawn down to comparatively low levels.

Coffee: World production and imports, 1967-73[1]

Crop year beginning October	World production	Exportable production[2]	World exports[3]	Exportable surplus or deficit
	Mil. bags	*Mil. bags*	*Mil. bags*	*Mil. bags*
1967	68.6	51.7	54.0	-2.3
1968	61.1	43.4	52.9	-9.5
1969	66.4	48.1	53.9	-5.8
1970	58.3	40.1	50.1	-10.0
1971	71.7	52.9	57.4	-4.5
1972	73.2	53.8	53.5	+.3
1973	66.8	46.9	[4]54.0	[4]-7.1

[1] 132.3-pound bags. [2] Represents total production minus consumption in producing countries. [3] Data from International Coffee Organization. [4] Estimated.

Source: Foreign Agricultural Service.

Other International Developments

Representatives of major Latin American coffee producing countries met in Mexico City, June 20-22. They agreed to establish an International Marketing Organization for "other milds" type coffee for the goal of maintaining price levels they consider adequate. The representatives also agreed to regulate exports available from the 1973/74 crop.

Coffee prices up

Both Colombian and Brazilian green coffee prices further increased in the second quarter this year over

first quarter levels. Robusta prices were basically unchanged while Mexican washed prices declined. Except for Robusta, there have been some further slight advances in July.

Retail coffee prices continue to reflect sharp increases in green coffee prices in the first half of this year. Second quarter roasted coffee in cans averaged a record-high $1.03 per pound (table 9). The last time this price exceeded $1.00 was in August 1957. Roasted coffee in bags was 85 cents per pound in the second quarter and instant coffee averaged $1.16 per 6-ounce jar.

TEA

Tea imports this year likely will total over 160 million pounds. First half imports were 89 million pounds, up 13 percent over the first half of 1972. Tea imports in 1972 totaled only 151 million pounds, plummeting from the record 175 million pounds in 1971. Per capita tea consumption is expected to increase fractionally, to total 0.78 pound (dry leaf equivalent) this year.

Though moving up fractionally from the first to second quarter this year, tea prices (wholesale and retail) were relatively unchanged from year-ago levels. (table 9).

COCOA AND CHOCOLATE

Consumption down in 1973

Per capita consumption of cocoa beans is expected to total about 4.1 pounds this year, down from 4.4 pounds in 1972. Both lower grindings and reduced imports of semiprocessed products are expected to contribute to the decline in consumption.

Imports will be lower

Combined imports of cocoa beans and cocoa and chocolate products this year will likely fall short of the 933 million pounds (cocoa bean equivalent) imported last year. Cocoa bean imports for first half 1973 fell 5 percent short of the year-ago level, and short supplies and high prices will likely result in further reductions during the balance of the year. Imports of semiprocessed cocoa and chocolate products are expected to decline from the 270 million pound total in 1972. In first-half 1973 they were 9 percent lower than a year ago.

World supply—very tight

The 1972/73 world crop is down over 10 percent from last year's record 3.5 billion pounds. World grindings are likely to fall short of the record 1972 level. However, grindings for the first half of 1973 increased, resulting in a drawdown in world stocks and sky-high cocoa prices.

No estimate has been made of the upcoming 1973/74 crop (October/September). However, reported dry weather has undoubtedly reduced potential output in West Africa—the major producing area—and the main crops are expected to be harvested 4 to 6 weeks later than usual. It seems unlikely that production will match the 1972/73 crop. Cocoa prices ("Accra"—New York spot), were half again higher in the second quarter than in the first quarter and nearly double the average for 1972 (table 9). Cocoa butter prices rose in accord. The steep price rise has not ended—cocoa prices in July were a record 95 cents per pound and cocoa butter prices, a record $2.18 per pound. Cocoa prices seem likely to remain at high levels for some time.

Retail prices typically are much more stable than cocoa bean and butter prices and lag wholesale price developments. Retail prices are only now beginning to reflect manufacturer price changes.

Table 10.--Wholesale food price indexes and Wholesale Price Index, selected periods 1/
(1967=100)

Year and month	Farm products						Processed foods and feeds											
	Eggs	Fresh and dried fruits and vegetables 2/	Total 3/	Meats: Beef and veal	Meats: Pork	Meats: Total	Poultry	Fish	Dairy	Processed fruits and vegetables 2/	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages 4/	Total 5/	All food 6/	Industrial commodities 7/	All commodities
1960	122.4	99.0	97.2	95.1	86.6	91.8	116.2	81.4	86.1	92.8	88.7	88.1	90.1	92.8	89.5	92.1	95.3	94.9
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	111.4	106.6	102.5	104.2	98.5	102.2	105.8	108.1	104.8	106.5	98.1	100.9	102.8	102.8	102.2	103.4	102.5	102.5
1969	133.9	109.3	109.1	112.9	110.8	113.3	113.6	118.6	108.2	107.9	101.5	102.6	109.4	106.0	107.3	109.6	106.0	106.5
1970	126.8	111.6	111.0	114.5	111.7	115.0	113.3	125.1	111.2	110.4	111.8	107.6	115.9	112.9	112.0	113.5	110.0	110.4
1971	100.8	120.1	112.9	124.1	99.5	114.1	112.4	137.0	115.4	114.3	121.1	111.4	119.2	115.8	114.3	115.5	114.0	113.9
1972	103.7	127.6	125.0	133.4	122.1	128.5	115.8	159.5	118.6	119.7	121.2	114.7	121.6	118.0	120.8	121.8	117.9	119.1
January	92.6	124.9	117.8	134.2	114.5	124.2	108.3	156.3	117.3	116.0	121.7	112.2	120.1	116.4	117.2	118.9	115.9	116.3
February	91.9	127.5	120.7	137.1	121.4	129.5	116.2	156.2	117.5	116.1	121.1	112.4	121.1	116.8	118.8	120.8	116.5	117.3
March	107.7	112.8	119.7	134.0	111.5	124.8	117.5	160.1	118.0	116.7	120.8	112.6	121.9	116.7	118.6	119.3	116.9	117.4
April	87.2	117.6	119.1	128.9	109.1	121.3	106.5	163.8	117.5	118.3	120.7	112.8	121.1	117.2	117.7	118.0	117.3	117.5
May	90.6	120.6	122.2	133.1	115.7	125.9	109.3	155.1	117.4	119.0	120.7	113.3	120.8	117.2	118.6	119.4	117.6	118.2
June	91.9	121.7	124.0	139.6	121.4	131.1	115.1	153.1	115.3	119.5	121.5	113.3	121.3	117.8	119.6	120.7	117.9	118.8
July	102.2	129.9	128.0	139.9	129.3	134.4	127.4	157.3	117.7	119.6	121.4	113.6	122.2	117.9	121.5	123.4	118.1	119.7
August	99.3	138.9	128.2	133.4	128.1	131.4	118.1	156.2	118.6	120.2	121.5	115.3	121.3	118.9	121.0	123.3	118.5	119.9
September	114.9	138.1	128.6	130.0	127.5	129.7	122.1	159.9	119.0	120.1	121.5	116.1	121.6	119.1	121.8	123.9	118.7	120.2
October	99.1	122.8	125.5	128.3	127.8	128.7	117.1	161.2	120.0	121.8	123.2	116.9	123.5	118.8	121.8	122.3	118.8	120.0
November	123.1	141.8	128.8	124.6	122.5	124.7	116.2	169.2	121.8	123.8	121.6	118.3	121.7	119.4	123.1	124.2	119.1	120.7
December	143.9	134.6	137.5	138.0	136.1	135.7	115.7	165.7	123.0	124.7	119.2	120.1	122.1	119.7	129.4	127.3	119.4	122.9
1973																		
January	158.2	151.2	144.2	145.5	145.4	143.1	135.4	174.5	123.8	125.3	119.7	121.0	121.5	119.8	132.4	132.0	120.0	124.5
February	130.1	146.9	150.9	158.5	150.6	152.4	142.5	172.0	124.0	125.9	122.2	120.8	124.4	120.0	137.0	133.9	121.3	126.9
March	152.6	158.5	160.9	168.2	156.8	163.5	169.4	174.7	126.8	126.2	127.0	121.3	125.7	120.8	141.4	140.4	122.7	129.7
April	144.9	176.0	160.6	167.5	143.8	158.7	184.7	176.6	127.2	126.6	125.6	123.7	126.9	121.4	139.8	141.6	124.4	130.7
May	137.1	186.0	170.4	166.1	147.3	158.4	177.6	180.3	126.5	127.2	131.6	124.3	129.0	121.9	145.0	142.6	125.8	133.5
June	159.4	197.5	182.3	169.5	150.8	161.9	180.1	173.6	127.5	127.9	137.4	125.9	131.0	121.4	151.8	146.0	126.9	136.7
July	155.2	187.8	173.3	171.6	160.3	165.8	184.1	186.6	127.1	127.7	137.2	125.5	131.1	121.1	146.5	146.7	126.9	134.9
	Seasonally adjusted																	
1972																		
January	84.5	122.2	117.9	135.8	112.6	125.2	108.6	152.1	117.4	116.3	121.6	---	120.1	---	117.1	118.4	---	---
February	92.2	123.8	118.8	135.1	120.7	129.2	112.5	152.8	117.7	116.3	120.5	---	121.6	---	118.1	120.5	---	---
March	104.8	109.5	118.3	130.6	114.1	123.6	112.3	157.5	118.6	117.3	120.3	---	122.4	---	118.4	118.6	---	---
April	95.9	118.4	119.2	127.8	115.4	120.9	108.3	162.7	117.3	118.3	120.5	---	121.8	---	118.1	118.6	---	---
May	110.4	114.4	120.9	130.0	117.5	125.7	109.4	157.5	116.9	118.6	121.2	---	121.2	---	118.5	119.5	---	---
June	106.2	116.7	121.8	135.7	117.9	128.1	113.7	154.3	115.0	119.0	121.7	---	121.4	---	119.1	120.0	---	---
July	98.8	133.5	125.5	133.9	119.8	128.5	120.0	157.9	117.6	119.1	121.9	---	121.5	---	119.9	121.8	---	---
August	108.1	144.4	128.7	133.3	123.6	129.5	117.8	158.8	118.7	119.7	122.0	---	120.7	---	120.5	123.3	---	---
September	103.0	139.8	130.7	132.5	125.7	130.1	119.1	161.8	119.4	120.2	122.2	---	121.1	---	121.9	123.3	---	---
October	105.7	134.9	128.6	134.5	128.6	132.1	120.7	165.5	120.1	122.2	123.0	---	122.4	---	122.8	124.3	---	---
November	116.2	141.2	132.4	130.8	129.8	129.9	121.0	167.8	121.8	123.7	121.0	---	121.9	---	124.5	125.2	---	---
December	118.0	135.8	137.8	141.8	140.2	139.6	127.3	165.9	122.6	124.9	119.1	---	122.7	---	130.4	128.0	---	---
1973																		
January	144.3	147.9	144.3	147.4	143.0	144.2	136.1	169.8	123.9	125.7	119.6	---	121.5	---	132.3	131.6	---	---
February	130.5	142.6	148.5	155.5	149.6	151.7	137.8	168.4	124.2	126.2	121.6	---	124.9	---	136.2	133.6	---	---
March	148.4	153.9	159.0	163.8	160.3	161.9	161.6	171.9	127.4	126.8	126.5	---	126.2	---	141.1	139.6	---	---
April	159.4	177.2	160.8	166.3	152.0	158.0	187.9	175.1	126.9	126.6	125.3	---	127.7	---	140.2	142.3	---	---
May	167.0	176.5	168.5	162.2	149.5	158.1	177.8	183.0	126.0	126.8	132.1	---	129.4	---	144.9	142.7	---	---
June	184.3	189.4	179.1	164.7	146.4	158.1	178.0	175.0	127.1	127.4	137.7	---	131.1	---	151.2	145.3	---	---
July	150.1	193.0	169.9	164.2	148.6	158.5	173.5	187.3	127.0	127.2	137.8	---	130.3	---	144.6	144.8	---	---

1/ For earlier annual data (1957-59 reference base), see Food Consumption, Prices and Expenditures, Agricultural Economic Report No. 138, table 106. 2/ Includes potatoes. 3/ In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. 4/ Includes alcoholic beverages. 5/ Includes animal fats and oils, crude and refined vegetable oils, manufactured animal feed, and miscellaneous processed foods in addition to items listed separately. 6/ All food includes all processed foods (omitting soft drinks, alcoholic beverages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from the farm products group. 7/ Prior to 1967, includes manufactured animal feeds, soft drinks, and alcoholic beverages.

Bureau of Labor Statistics.

Table 11.--Retail food price indexes and Consumer Price Index, selected periods 1/
(1967=100)

Year and month	Food at home																			Food away from home	All food	Consumer Price Index, less food	Consumer Price Index
	Meats							Fats and oils 4/	Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total								
	Beef and veal	Pork	Total 2/	Poultry	Fish	Eggs	Dairy products 3/		Fresh	Processed	Total												
1960	92.1	81.7	87.2	106.9	85.0	113.2	88.4	86.5	84.6	92.9	88.3	87.1	90.1	91.5	89.6	81.4	88.0	88.8	88.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.1	100.2	102.3	103.1	101.6	107.8	103.3	97.7	109.4	105.6	107.9	100.4	103.4	101.9	103.2	105.2	103.6	104.4	104.2
1969	114.5	109.1	111.4	109.0	107.2	126.8	106.7	97.9	111.1	106.5	109.3	103.3	109.1	104.6	108.2	111.6	108.9	110.1	109.8
1970	119.5	115.9	117.6	108.4	118.0	125.6	111.8	105.3	116.3	109.2	113.4	108.9	115.1	117.4	113.7	119.9	114.9	116.7	116.3
1971	124.9	105.0	116.7	109.0	130.2	108.4	115.3	115.2	121.0	116.2	119.1	113.9	119.3	121.6	116.4	126.1	118.4	122.1	121.3
1972	136.6	121.6	129.2	110.4	141.9	107.7	117.1	116.6	128.0	120.5	125.0	114.7	120.9	121.3	121.6	131.1	123.5	125.8	125.3
January	130.8	109.2	121.1	108.4	134.7	108.0	116.4	117.2	122.1	119.2	120.9	113.7	120.1	120.4	118.2	128.6	120.3	124.0	123.2
February	136.1	119.4	127.5	110.7	137.0	101.4	116.9	117.7	126.8	119.5	123.9	114.3	120.5	120.7	120.5	128.9	122.2	124.2	123.8
March	137.1	118.2	127.9	111.6	138.3	107.5	117.3	118.3	122.3	119.9	121.4	114.8	121.2	120.9	120.6	129.4	122.4	124.5	124.0
April	135.9	116.7	126.9	109.4	139.8	102.9	117.4	118.0	123.2	120.3	122.1	115.0	121.4	120.9	120.4	130.0	122.4	124.9	124.3
May	134.1	115.4	125.6	108.4	140.2	101.7	117.3	117.6	126.7	119.8	123.9	114.7	121.4	121.0	120.2	130.4	122.3	125.4	124.7
June	135.8	118.0	127.5	108.9	141.3	94.2	117.0	117.1	132.2	119.9	127.2	114.5	120.6	120.5	120.9	130.9	123.0	125.7	125.0
July	139.4	124.0	131.3	111.8	142.0	101.9	116.8	115.7	134.1	120.0	128.4	114.4	120.4	120.3	122.4	131.3	124.2	125.9	125.5
August	140.2	125.4	132.5	110.6	142.8	105.0	116.6	115.6	133.4	120.2	128.1	114.4	120.5	120.6	122.7	131.9	124.6	126.1	125.7
September	138.3	127.1	132.3	112.6	144.4	114.0	116.9	115.8	128.9	121.0	125.7	114.6	120.7	121.7	122.8	132.5	124.8	126.7	126.2
October	137.3	129.2	132.7	112.0	145.8	114.5	117.1	115.9	126.7	121.2	124.5	114.6	120.9	122.6	122.8	132.8	124.9	127.1	126.6
November	137.7	128.6	132.9	110.2	148.0	113.6	117.7	115.6	129.5	122.1	126.5	115.0	121.1	122.9	123.4	133.3	125.4	127.4	126.9
December	136.8	128.4	132.5	110.2	148.6	128.0	118.3	115.3	130.6	122.4	127.3	115.8	121.4	123.1	124.1	133.7	126.0	127.6	127.3
1973																			
January	142.9	135.0	137.7	116.1	149.2	151.6	119.1	114.6	135.5	123.1	130.5	116.3	121.7	123.9	127.2	134.2	128.6	127.4	127.7
February	152.3	142.2	145.2	120.7	151.3	141.2	121.0	114.9	139.8	123.7	133.3	117.8	122.8	125.6	130.1	134.7	131.1	127.9	128.6
March	160.2	149.8	153.0	150.7	152.8	136.2	121.5	115.5	145.1	124.5	136.8	119.0	124.0	126.4	134.2	135.7	134.5	128.4	129.8
April	162.9	150.7	156.1	150.1	156.1	138.8	121.8	118.1	152.6	125.7	141.8	120.2	125.3	127.2	136.4	137.0	136.5	129.1	130.7
May	162.7	150.0	155.9	150.4	160.2	138.7	123.2	120.1	156.9	126.3	144.6	122.1	126.3	129.5	137.6	138.9	137.9	129.7	131.5
June	163.5	151.4	156.7	150.8	163.7	146.6	124.1	122.7	168.2	127.2	151.7	123.0	127.6	131.4	139.9	139.8	139.8	130.3	132.4
	Seasonally adjusted																		
1972																			
January	132.1	110.8	122.3	109.6	134.6	97.7	5/	---	123.5	119.1	122.0	113.8	120.2	120.6	118.6	128.7	120.5	124.1	123.4
February	137.5	120.6	128.7	110.9	136.6	97.3	5/	---	129.5	119.6	125.4	114.3	120.7	120.7	120.7	129.0	122.4	124.4	123.9
March	137.2	117.7	127.8	110.6	138.0	105.8	5/	---	122.1	120.0	121.3	114.6	121.2	120.9	120.7	129.7	122.4	124.6	124.1
April	134.6	117.3	126.4	109.3	139.4	103.3	5/	---	121.3	120.2	120.9	114.7	121.3	120.8	120.2	130.0	122.3	124.9	124.3
May	133.4	117.3	126.0	108.9	139.9	109.7	5/	---	122.3	119.9	121.4	114.6	121.2	121.0	120.2	130.5	122.3	125.4	124.7
June	135.0	118.6	127.1	107.8	141.2	108.4	5/	---	124.5	120.1	122.7	114.5	120.5	120.3	120.3	131.0	122.5	125.6	124.8
July	137.2	121.7	129.5	109.1	142.3	109.7	5/	---	126.3	120.1	123.8	114.3	120.4	120.2	121.2	131.3	123.3	125.9	125.3
August	138.0	122.2	130.3	108.9	143.1	106.1	5/	---	129.6	120.3	125.8	114.4	120.5	120.5	121.8	131.8	123.9	126.2	125.7
September	137.2	124.4	130.9	110.6	144.8	111.3	5/	---	131.8	120.8	127.4	114.7	120.7	121.9	122.7	132.4	124.8	126.7	126.2
October	138.0	128.0	132.7	112.8	146.1	112.4	5/	---	134.8	121.2	129.3	114.7	121.0	122.5	123.5	132.7	125.5	126.8	126.6
November	139.8	129.8	134.4	112.8	148.6	114.3	5/	---	135.9	122.0	130.1	115.2	121.2	122.9	124.6	133.2	126.4	127.1	127.0
December	139.7	131.0	134.9	113.7	148.3	117.4	5/	---	136.8	122.2	130.4	115.9	121.4	123.3	124.5	133.7	126.3	127.5	127.2
1973																			
January	144.3	136.9	139.1	117.4	149.1	137.2	5/	---	137.0	123.0	131.7	116.4	121.8	124.1	127.6	134.3	128.9	127.5	127.9
February	153.8	143.6	146.5	120.9	150.8	135.5	5/	---	142.8	123.8	134.9	117.8	123.0	125.6	130.4	134.8	131.4	128.2	128.8
March	160.4	149.2	152.8	149.4	152.5	134.1	5/	---	144.8	124.6	136.7	118.8	124.0	126.4	134.3	136.0	134.5	128.5	129.9
April	161.3	151.5	155.5	150.0	155.6	139.4	5/	---	150.2	125.6	140.4	119.8	125.2	127.1	136.1	137.0	136.4	129.1	130.7
May	161.9	152.4	156.4	151.2	159.9	149.6	5/	---	151.4	126.4	141.6	122.0	126.0	129.5	137.6	139.0	137.9	129.7	131.5
June	162.5	152.2	156.2	149.3	163.5	168.7	5/	---	158.4	127.5	146.3	123.0	127.5	131.1	139.2	139.9	139.2	130.2	132.2

1/For earlier annual data (1957-59 reference base), see Food Consumption, Prices, and Expenditures, Agricultural Economic Report No. 138, July 1968. 2/ Beef, veal, lamb and mutton, pork, and processed meat. 3/ Includes butter. 4/ Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI. 5/ Slight seasonal variation statistically insignificant.

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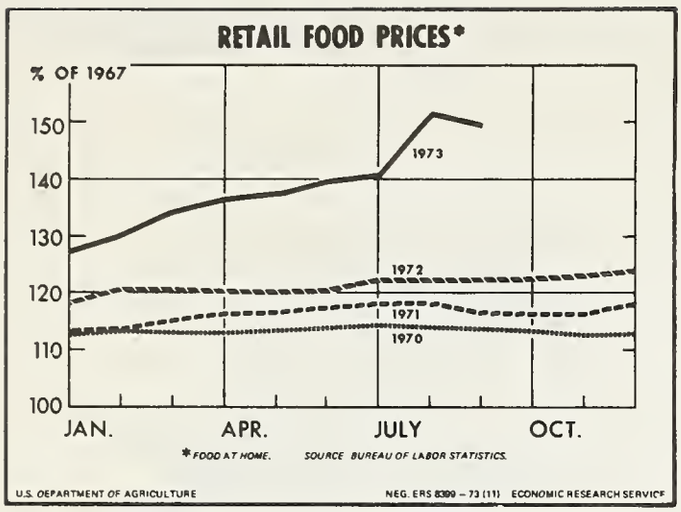

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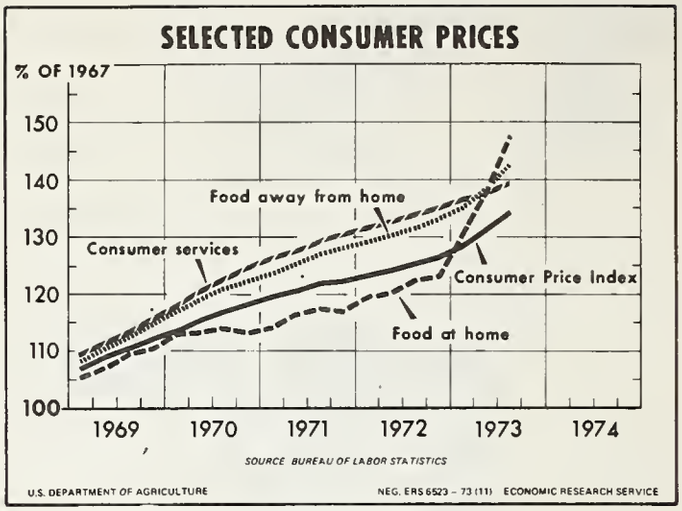

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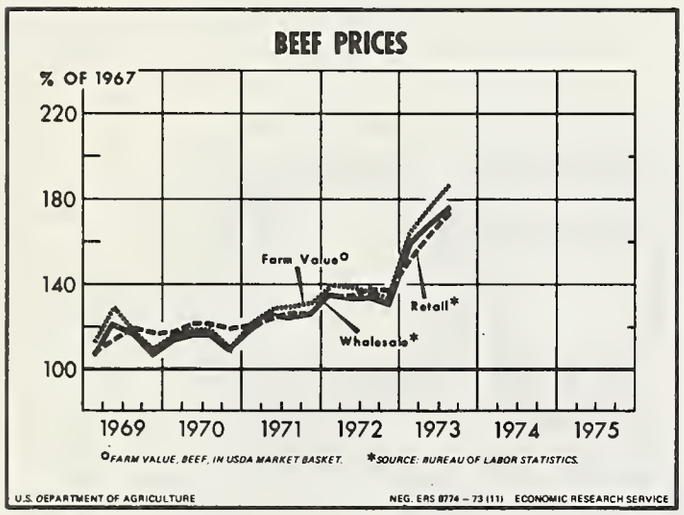

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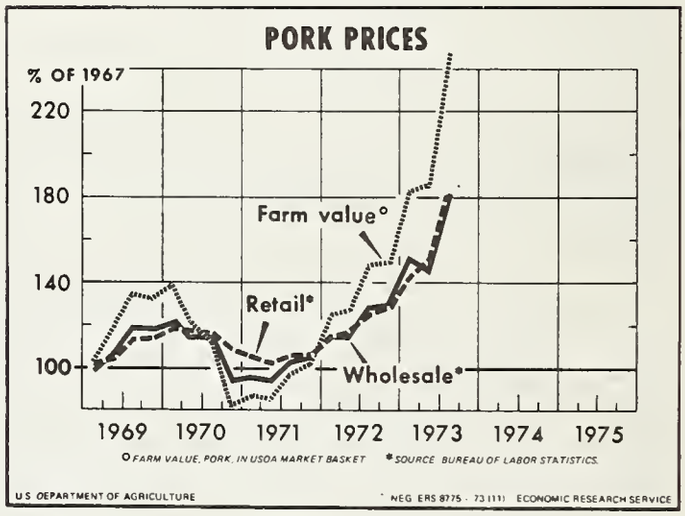

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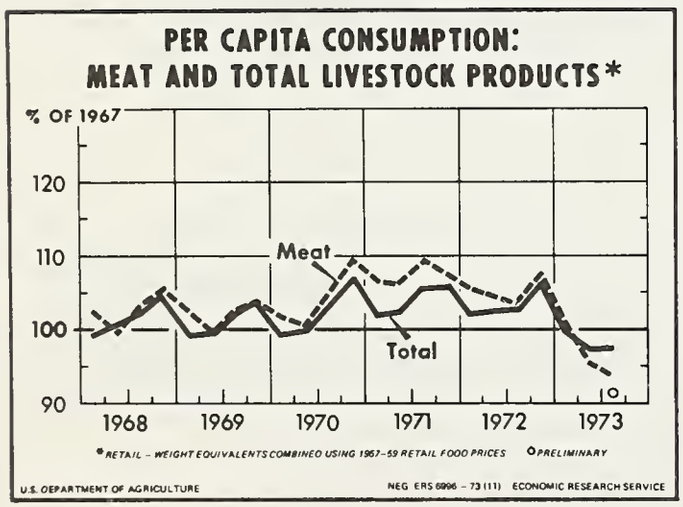

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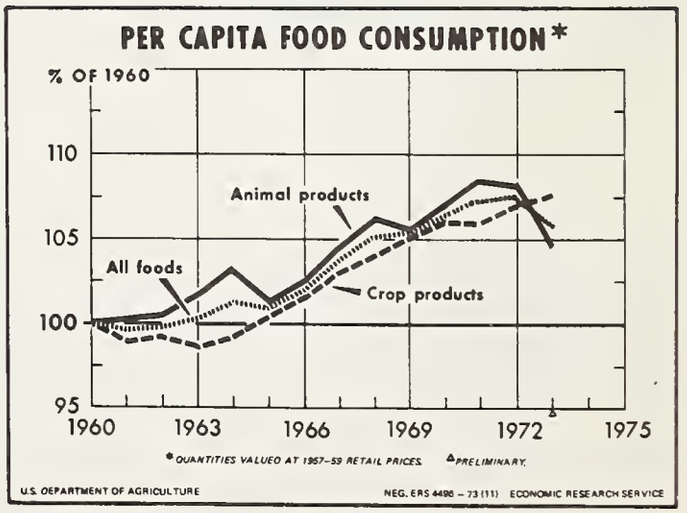

Figure 6

NATIONAL FOOD SITUATION

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Approved by
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and Summary released
November 8, 1973

Principal contributors:
Larry V. Summers
Anthony E. Gallo
Frederick D. Gray
Helen M. Eklund
Fredericka A. Bunting

National Economic Analysis Division
Economic Research Service
U.S. Department of Agriculture
Washington, D.C. 20250

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SUMMARY

Average retail food prices are expected to be relatively stable during the fourth quarter of 1973, as red meat and poultry prices decline and offset increases for most other food categories. For all of 1973, grocery store food prices are now expected to average 15-17 percent above 1972. The all-food retail price index will likely be up 13-15 percent thanks to the slower rate of increase for food-away-from-home prices so far this year.

The first quarter of 1974 may find food prices rising as meat supplies shrink and other prices continue their advance. But the rate of price increase is likely to be rather moderate in comparison to the increases which occurred during the early months of 1973. Nevertheless, the first quarter retail food index may average nearly 13 percent above a year earlier primarily as a result of price increases which have already occurred.

Retail prices may again stabilize during the second quarter of 1974 as increased output and lower prices for beef and poultry products offset price increases for other foods. While the gap will be narrowing with respect to 1973 levels, the second quarter 1974 average of all food prices may still be around 8-10 percent above last spring.

For the first half of 1974, food prices may average about the same as third quarter 1973 levels.

Retail food prices averaged about 17 percent above a year earlier during 1973's third quarter. Prices for food away from home were up 8 percent, but food at home prices were up 20 percent. Grocery store food prices rose sharply in August, following the removal of price ceilings on all products except beef, before softening for the first time this year in September.

Food expenditures in the third quarter of 1973 increased 4.1 percent from the second quarter and 12.3 percent from a year earlier to $141.6 billion, seasonally adjusted annual rate. All of the increase was due to higher prices since food consumption declined. This decline in consumption, along with a shift from more to less costly foods, caused real expenditures (with price increases discounted) to decline for the fifth consecutive quarter. Real food expenditures on a per capita basis have declined even more sharply and in the third quarter were at the lowest levels since 1966.

Personal disposable income during the third quarter was 11.2 percent above last year, the largest year to year gain for any quarter since 1951. Even so, the income advance was outpaced by the increase in food expenditures. As a result, the percentage of disposable personal income spent for food rose to 15.9 percent in the third quarter compared to 15.6 percent in the first and second quarters of 1973 and 15.7 percent a year earlier.

Per capita food consumption this year will be about 1½ percent less than in 1972, the sharpest drop in 15 years. A slight gain for crop-related foods, largely fruits and processed vegetables, partly offsets the 3 percent decline in consumption of livestock products. The 6 percent reduction for meat is the largest in a quarter of a century. Egg, poultry, and fish consumption is also below last year's level.

Looking ahead to 1974, per capita food consumption may recover much of the losses of 1973. Little change is foreseen in crop food consumption, but livestock related food consumption may move up about 1.5 percent. Per capita red meat supplies are expected to regain about half of this year's drop, and poultry consumption likely will be at record levels. Egg consumption may increase a little, but supplies of dairy products are expected to decline.

Net production of U.S. farm food commodities in 1973 is about 3 percent larger than a year ago. An increase in the crop food sector more than offsets a 4 percent drop in the livestock sector. The volume of imports of farm food commodities is expected to match last year's total. Beginning 1973 stock levels were down 4 percent from beginning 1972 stocks. Total net utilization this year will likely increase nearly 1 percent over last year, reflecting nearly a one-fifth increase in exports, and a 2½ percent drop in domestic food use. Larger production in 1973 may lift ending 1973 stocks of farm food products a little above a year earlier despite slightly increased utilization.

Available nutrient supplies per capita in 1973 showed increases of 2 percent for ascorbic acid, resulting from larger supplies of citrus, and 1 percent for calcium, reflecting increased consumption of low-fat milk, nonfat dry milk, and cheese. Lower meat consumption, however, contributed to a 2 percent decline for iron, thiamin, vitamin B_6 and vitamin B_{12}, as well as a 1 percent drop in levels for food energy, protein, niacin and fat. Supplies of other nutrients remained unchanged.

Nutrient supplies in 1974, according to early per capita consumption forecasts, indicate a slight increase in protein, fat, niacin, and ascorbic acid and a slight decrease in calcium and phosphorus. Increased meat and salad and cooking oil consumption will contribute to a higher level of fat.

FOOD PRICES

The inflationary surge in food prices appears to have peaked, at least temporarily, in August (table 14). Driven by huge price increases for pork and poultry products and smaller advances for all other major food categories, the retail price index for food at home jumped 7.7 percent (seasonally adjusted) from July to August. The sharp advance followed the easing of price controls as higher prices for farm commodities were allowed to be passed through to retail for all foods except beef. Subsequent declines in farm and wholesale prices for meat animals, broilers, and eggs resulted in a 0.7 percent decline in average grocery store food prices for September despite continued price advances in most other food categories.

Retail food prices during the third quarter averaged 17 percent above a year earlier (table 1). Food at home prices were 20 percent higher while food away from home rose over 8 percent. The average for all items less food increased less than 4 percent from last year.

Change in retail food prices, third quarter, 1973

Item	From second quarter 1973	From third quarter 1972
	Percent	*Percent*
Meat	10.7	31.0
Poultry	25.4	68.8
Fish	3.4	15.6
Dairy products	3.3	8.7
Eggs	26.9	67.7
Fats and oils	6.3	10.5
Fruits and vegetables	1.3	16.1
Sugar and sweets	1.9	6.9
Cereal and bakery products	4.2	10.8
Beverages	1.9	9.1
Other preparations	.8	3.6
Food at home	6.6	20.0
Food away from home	3.0	8.3
All food	5.9	17.4

Retail Prices—Commodity Reviews

Much of the increase for food at home prices in the third quarter reflected a 28 percent year-to-year advance for prices of livestock-related food, but prices of food derived from crops were over 11 percent higher.

Beef and Veal.—Beef and veal prices were nearly a fourth higher than the third quarter last year. Most of the quarterly increase took place in August, although September prices were about 1 percent higher than in August.

The sharpest yearly gains were for chuck roast, hamburger and medium priced beef cuts as consumers attempted to substitute less expensive

Table 1.--Consumer, wholesale, and farm price indexes, 1972-73
(1967=100)

Item	1972			1973			
	III	IV	Year	I	II	III	
						Index	Percent change from 1972 III
Retail prices: 1/							
All goods and services (CPI)	125.8	126.9	125.3	128.7	131.5	134.4	6.8
All items less food	126.2	127.4	125.8	127.9	129.7	131.0	3.8
All food	124.5	125.4	123.5	131.4	138.1	146.2	17.4
Food at home	122.6	123.4	121.6	130.5	138.0	147.1	20.0
Food away from home	131.9	133.3	131.1	134.9	138.6	142.8	8.3
Wholesale prices: 1/							
All commodities	119.9	121.2	119.1	127.0	133.6	139.3	16.2
Industrial commodities	118.4	119.1	117.9	121.3	125.7	127.5	7.7
Farm products	128.3	130.6	125.0	152.0	171.1	195.7	52.5
Processed food	123.0	124.0	121.9	133.6	139.4	152.4	23.9
All food 2/	123.5	124.6	121.8	135.4	143.4	154.4	25.0
Prices received by farmers: 3/							
Crops	116	121	115	135	156	181	56.0
Livestock and products	136	141	134	163	170	198	45.6
Average	128	133	126	151	164	190	48.4
Market basket of U.S. farm foods: 4/							
Retail cost	122.5	123.1	121.3	130.8	138.5	148.4	21.1
Farm-retail spread	119.3	120.3	119.3	120.5	125.8	127.4	6.8
Farm value	127.5	127.6	124.4	147.2	158.6	181.5	42.4

1/ Department of Labor, Bureau of Labor Statistics.
2/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group.
3/ Statistical Reporting Service.
4/ Economic Research Service.

meats for higher priced ones. Sirloin and porterhouse steak rose at a slower pace.

Pork.—Pork prices averaged 44 percent above the third quarter last year. In August they jumped a record 28 percent above the July level, but then dropped in September. The fall was totally due to sharp drops for more expensive fresh pork cuts. Smoked picnics, hams, bacon and sausage continued to rise.

Poultry.—There was a considerable drop in broiler prices in late summer as consumers resisted high prices and red meats became more abundant. The third quarter poultry price index, however, averaged almost 70 percent above the same period a year ago due to the record increases in March and August.

Fish.—Retail fish prices averaged about 16 percent above a year ago in the third quarter. Supplies of shellfish, canned products, and fish sticks are off considerably from 1972, and higher red meat and poultry prices have stimulated demand for fish.

Eggs.—Egg prices averaged 68 percent above the third quarter of 1972, with production down considerably from last year and demand strengthened by higher meat prices. The retail price index for eggs dropped in September, however, as production began to gain relative to year-earlier levels.

Dairy.—Retail dairy prices increased at a slower pace than any other category of animal-related foods. Dairy product prices averaged 8 percent above a year ago in the third quarter.

Fresh Vegetables and Potatoes.—Retail prices for fresh vegetables and potatoes averaged 30 percent above a year ago for the third quarter. Potato supplies were below year-earlier levels and prices averaged nearly 60 percent higher during the third quarter. By September, however, supplies were increasing and retail prices dropped nearly 23 percent from the August level. Prices for most other vegetables also declined in September, but the third quarter average remained nearly a fifth above a year ago.

Fresh fruit.—The retail price index for fresh fruit in the third quarter was 11 percent above last year's relatively high level. A record large citrus crop last winter and spring, followed by improved deciduous fruit crops this summer and fall, have resulted in larger fresh fruit supplies this year. But strong demand has kept prices up.

Processed Fruits and Vegetables.—The 7½ percent year-to-year increase in the third quarter retail price index for this category of products was about a third as great as the overall food-at-home advance. Government price regulations prevented a more rapid rate of increase for a number of these products despite dwindling supplies until new packs became available this summer. Record output of processed citrus products early in the year also restrained overall price advances.

Cereal and Bakery.—Retail prices for these products averaged 11 percent above the third quarter of last year. Sharply higher farm prices for wheat and increasing costs of other ingredients have begun to be reflected in retail prices.

Other foods.—*Fats and oils* retail prices were about 11 percent above the third quarter last year, while *sugar* product prices were up 7 percent.
Beverages averaged 9 percent higher.

Wholesale Prices

The all-food wholesale price index during the third quarter averaged 25 percent above last year as opposed to 7.7 percent for industrial commodities. Wholesale prices for farm products were almost 53 percent above last year.

Much of the increase for all foods reflected the 9.2 percent monthly advance in August. In September, the index fell 2 percent from the August level. (table 13).

The sharpest rises for the quarter were due to pork, poultry and eggs. Beef, fresh produce, cereal and bakery products, and fish also posted significant increases, while dairy products and processed fruit and vegetables were moderately higher. Beverages and sugar products rose the least.

1973 in Perspective

The year 1973 will be marked as one of the most turbulent in the history of the U.S. food industry. Reduced domestic supplies of foodstuffs, soaring foreign demand, a superheated domestic economy, international monetary adjustments, and shifting economic stabilization programs overlaid by expectations of inflation at home and abroad have made 1973 an unstable and uncertain year for all facets of the food industry from farmers to consumers.

Domestic Demand Strong.—Economic activity moved ahead at an extremely fast pace this year. The Nation's output of goods and services in the first three quarters of 1973 was nearly 12 percent above a year earlier, with hefty increases in personal consumption, business, government, and export sectors. The total number of people employed in the third quarter was over 2½ million above a year earlier, while the unemployment rate dropped significantly. Average hourly earnings during the third quarter were almost 7 percent above last year.

Personal incomes were further augmented earlier this year by unusually large income tax refunds, and increases in social security benefits provided additional purchasing power in the economy. In short, more people have had more money to bid for existing food supplies. This has been a particularly important factor in the demand for income-elastic foods such as red meat.

World Demand Strong—Supplies Tight.—The United States was not the only nation experiencing increases in food demand. Continued growth in population and purchasing power, additionally strengthened by international currency realignments, increased total demand for U.S. farm products in other countries. Relaxation of cold war constraints also contributed to U.S. export expansion.

But more important, in terms of impact on U.S. exports, was the tight supply situation prevailing in certain areas of the world. Unfavorable weather sharply curtailed grain and forage production in the USSR, People's Republic of China and other Asian countries as well as Africa, Australia, and parts of Latin America. Moreover, a sharp drop in the Peruvian anchovy catch impacted heavily on the world protein meal supply situation.

As a result of these and other forces, exports of U.S. farm products hit an all-time high of $12.9 billion in 1972-73—60 percent above the previous record of $8.0 billion a year earlier. Accounting for most of the gains in our agricultural exports were increases for Western Europe (30 percent), Japan (22 percent), USSR (16 percent), and the People's Republic of China (4 percent). All major world areas took more U.S. farm products in the past year.

Reduced Domestic Food Supplies.—On the domestic supply side, a number of conditions significantly reduced the amount of food available for consumption during much of 1973. Part of the supply problem can be traced back to Hurricane Agnes on the East Coast and spring frosts in the Western States at the beginning of the 1972 growing season. These weather conditions resulted in reduced harvests of several important fruit and vegetable crops that fall, part of which were stored to provide the basis of some of the food supplies for the first half of 1973. Then inclement weather in the midsection of the country seriously hampered grain and soybean harvests last fall and persisted through the winter and spring of 1973, causing abnormally high livestock death losses and increasing the uncertainty about crop production this year.

Although 1973 production of crop food commodities is estimated to be 8 percent above last year, much of it is not harvested until late summer and fall. And most of the gain is in soybeans and grains which are primarily exported or used for feed, and hence have only a limited impact on food supplies. Consequently, only a small part of the increased supply of crop food commodities is available for domestic food use during 1973.

Even more important, the production of livestock-related commodities declined this year despite increased demand. The decline in output largely reflected reduced profitability of livestock and poultry feeding during much of the year as feed grain and protein meal prices were bid sharply higher by surging demand at home and abroad. Price ceilings imposed on red meats in late March and extended to other food products in June not only held retail prices from rising further, but also disrupted normal marketing patterns and reduced producers' abilities or willingness to expand output. Price ceilings have since been lifted and livestock marketings have increased. Also, feed prices have moderated from their summer highs which may encourage increased output of meat and eggs. But for the present, total output of foods from animal sources remains below a year earlier with dairy and pork supplies most seriously affected.

Outlook

Grocery store food prices for all of 1973 are now expected to average 15-17 percent above 1972. Farm and wholesale prices for red meat and poultry products have declined from their summer highs in recent weeks. Although retail prices that were collected in early September reflected part of these declines, farm-retail price spreads increased sharply, offsetting much of the decline at the farm level.

If marketing spreads for meat and poultry products narrow and live animal prices remain under downward pressure from increased marketings, average retail prices for food at home during the fourth quarter will fall a little below the third quarter and the average increase for the year will be in the lower end of the 15-17 percent range. But, if margins widen or livestock slaughter lags, then prices may average on the higher side of the range, since prices of most other food products will continue to increase.

Prices for food away from home have risen at only about half the pace of food at home to date in 1973. But further increases are expected in these prices during the fourth quarter. Consequently, the all-food retail price index for all of 1973 will likely average 13-15 percent above a year ago.

The first quarter of 1974 may find grocery store food prices rising on a fairly broad front again as meat supplies shrink and prices of other food items continue their advance. But the rate of increase is not likely to be much greater than the decline during the last quarter of this year. Therefore, even if the first quarter index of food-at-home prices increases only moderately from the previous quarter as is now expected, it will still average about 13 percent above January-March 1973. With food away from home prices continuing to rise, the all-food index will likely reflect about the same rate of increase from a year earlier as the food-at-home index.

Average retail food prices are expected to stabilize again during the second quarter of 1974. Declining farm prices during the spring will likely offset increasing marketing margins which will accompany inflationary pressures in the economy.

On a commodity basis, declining red meat prices, associated with increasing production of beef, will likely offset further price increases for most other food categories.

FOOD SPENDING AND INCOME

Food expenditures in the third quarter rose more than any other consumer expenditure category. Expenditures for food increased 4.1 percent over the second quarter to $141.6 billion, seasonally adjusted annual rate. Food at home expenditures rose 4.3 percent while expenditures for restaurant meals and snacks were 3.2 percent higher. Compared to the third quarter a year ago, total food expenditures increased a record 12.3 percent. Expenditures for food at home were up slightly over 12 percent while expenditures on restaurant meals and snacks were up nearly 13 percent.

All of the increase in food expenditures was due to higher prices. With consumption down and a transition from more expensive to less costly foods, real food expenditures (those adjusted for price increases to reflect essentially quantity changes) declined nearly 1 percent this summer. This marked the fifth consecutive quarterly decline. However, all of the decline in real food expenditures this year was associated with food purchased for home consumption. Real expenditures for food eaten away from home were up 4½ percent from the third quarter last year.

Change in food expenditures, third quarter, 1973[1] (seasonally adjusted)

Item	From second quarter 1973	From third quarter 1972
	Percent	*Percent*
Total food		
Current dollars	4.1	12.3
1958 dollars	-.7	-3.6
Food at home		
Current dollars	4.3	12.1
1958 dollars	-1.1	-5.4
Food away from home		
Current dollars	3.2	12.9
1958 dollars	.7	4.5

[1] Preliminary.

Other Expenditures

Total personal consumption expenditures increased 2.2 percent during the third quarter. Expenditures for durable goods declined slightly due to reduced expenditures for automobiles and mobile homes. Expenditures for furniture and household equipment increased slightly.

Food and beverage expenditures led the pace in the 3.2 percent increase for nondurable goods expenditures. Expenditures for clothing and shoes and for gasoline and oil advanced moderately.

Expenditures for services increased nearly 2½ percent with over half of the increase contributed by increases in housing and household operation services.

Disposable Income

Personal disposable income for the third quarter of 1973 rose 2.4 percent from the previous quarter and 11.2 percent from the third quarter of 1972. This was the largest year-to-year increase since 1951. However, because food expenditures rose at nearly twice the pace of disposable personal income during the

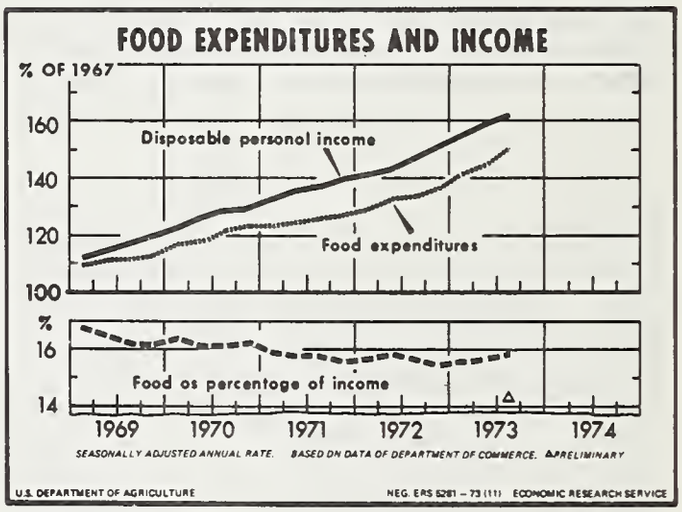

Figure 7

Quarterly changes in personal expenditures and disposable personal income (seasonally adjusted)

Item	1972	1973		
	IV	I	II	III[1]
	Pct.	*Pct.*	*Pct.*	*Pct.*
Total personal consumption expenditures	2.5	3.6	2.1	2.2
Durable goods	2.2	7.6	.5	-.5
Nondurable goods	2.8	3.7	2.5	3.2
Food	1.7	3.7	2.2	4.1
Other	3.5	3.7	2.7	2.5
Services	2.4	1.9	2.3	2.4
Disposable personal income	3.5	2.8	2.1	2.4

[1] Preliminary.

Table 2--Expenditures for food in relation to disposable income, 1960 and 1965-73 1/

Year	Disposable personal income	Personal consumption expenditures for food 2/					
		For use at home 3/		Away from home 4/		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Bil. dol.	Bil. dol.	Pct.	Bil. dol.	Pct.	Bil. dol.	Pct.
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1965	473.2	69.3	14.6	16.5	3.5	85.8	18.1
1966	511.9	73.8	14.4	18.2	3.6	92.0	18.0
1967	546.3	74.5	13.6	19.4	3.6	93.9	17.2
1968	591.0	79.0	13.4	20.7	3.5	99.7	16.9
1969	634.4	82.0	12.9	22.1	3.5	104.1	16.4
1970	691.7	88.1	12.7	24.0	3.5	112.1	16.2
1971	746.0	92.7	12.4	24.8	3.3	117.5	15.7
I	727.4	91.2	12.5	24.3	3.3	115.5	15.9
II	744.0	92.8	12.5	24.4	3.3	117.2	15.8
III	752.0	93.7	12.5	24.7	3.3	118.4	15.8
IV	760.4	93.2	12.2	25.7	3.4	118.9	15.6
1972	797.0	97.9	12.3	27.1	3.4	125.0	15.7
I	772.8	94.9	12.3	26.3	3.4	121.2	15.7
II	785.4	97.7	12.5	26.8	3.4	124.5	15.9
III	800.9	98.9	12.3	27.2	3.4	126.1	15.7
IV	828.7	100.2	12.1	28.1	3.4	128.3	15.5
1973							
I	851.5	103.5	12.1	29.5	3.5	133.0	15.6
II	869.7	106.3	12.2	29.7	3.4	136.0	15.6
III 5/	890.9	110.9	12.5	30.7	3.4	141.6	15.9

1/ Quarterly data are seasonally adjusted annual rates. 2/ Based on unpublished data of the Department of Commerce, and the Survey of Current Business and The National Income and Product Accounts of the United States, 1929-65. Omits alcoholic beverages, food donated by Government agencies to schools and needy persons, and non-personal spending for food such as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees. 3/ Includes food consumed on farms where produced. 4/ Includes food served to the military and employees of hospitals, prisons, and food service establishments. 5/ Preliminary.

Table 3.--Federal cost of USDA food programs, 1970-73

Year	Food stamps		Food distribution 2/				Child nutrition 4/				Total 5/
	Total issued	Bonus stamps 1/	Needy families	Supplemental food 3/	Schools	Institution	School lunch	School breakfast	Special food	Special milk	
	Million dollars										
1970	1,926	1,104	295	12	271	24	366	14	16	96	2,198
I	287	153	75	2	102	6	94	4	2	32	469
II	433	258	78	3	35	7	96	4	3	26	510
III	536	316	72	4	36	6	40	1	9	10	494
IV	670	377	71	3	98	5	136	6	2	28	725
1971	3,101	1,697	318	16	290	27	643	22	34	92	3,139
I	738	412	85	4	110	6	186	7	3	30	843
II	774	420	82	4	35	8	169	6	6	23	753
III	777	424	76	4	42	6	72	2	21	11	658
IV	812	441	75	4	103	7	216	7	4	28	884
1972	3,621	1,991	271	16	284	27	794	28	44	89	3,544
I	846	466	76	4	120	6	252	8	4	30	966
II	873	472	72	4	44	8	193	7	8	22	829
III	938	524	65	4	39	6	90	3	27	12	771
IV	964	529	58	4	81	6	259	10	5	26	978
1973											
I	997	547	60	4	91	7	294	11	5	31	1,049
II	995	539	53	4	54	7	218	9	10	22	916
III 6/	1,015	556	47	4	35	6	101	4	37	1	791

1/ Includes Food Certificate Program.
2/ Cost of food delivered to State distribution centers.
3/ Includes special food services for preschool and school age children in nonprofit institutions.
4/ Money donated for local purchase of food. Excludes nonfood assistance.
5/ Excludes those food stamps paid for by the recipient.
6/ Preliminary.

quarter, the share of income spent for food rose to 15.9 percent compared to 15.6 percent in the second quarter of 1973 and 15.7 percent a year earlier (table 2).

USDA Food Programs

Overall participation in USDA family food programs during the summer fell from a year ago. Increases in the Food Stamp Program of 300 thousand people were more than offset by a 400 thousand decline in the number of persons enrolled in the USDA Food Distribution Program. After showing continued increases in participation during the last 10 years, the Food Stamp Program has leveled off appreciably during the last 9 months for the first time and is expected to remain relatively stable.

The value of bonus stamps rose 6 percent over last year due to increased participation and to cost of living adjustments in the value of the bonus stamp allotment per family (table 3). The Federal cost of the food distributed to needy families declined 29 percent, due to shifts of participants to the Food Stamp program, and shifts to lower cost items in the package of food donated.

The Special Food Service Program reached 200,000 more children this summer than were reached last summer. This program helps provide meals to pre-school and school children enrolled in day care centers, recreation centers and summer camps and recreation programs. The program is designed to reach children in low income areas and children of working mothers.

During the past 9 months the value of USDA food programs (bonus food stamps, food distribution and child feeding programs) amounted to 2.7 percent of personal consumption expenditures for food.

PER CAPITA FOOD CONSUMPTION

The sharpest drop in per capita food consumption in 15 years has occurred this year. Per capita food consumption in 1973 will be about 1½ percent less than in 1972 and at the lowest level in 4 years (table 4). A gain for crop-related foods, largely fruits and processed vegetables, partly offset the 3 percent decline in consumption of livestock products. There were sharp reductions for meat and eggs and smaller declines for poultry and fish.

The 6 percent drop in meat consumption expected this year is the most precipitous since 1948. However, most of the reduction from last year's level has already occurred. In the fourth quarter, consumption is expected to be about 2½ percent below last year's rate, compared with a lag of 7½ percent through September (table 5).

Per capita poultry consumption has lagged the record-high rates set in 1972. But the margin of difference has narrowed and will continue to lessen in the fourth quarter. Egg consumption, however, will continue to lag during the fourth quarter by 5 percent, the average drop for the year.

The 7 percent increase in livestock product consumption expected in fourth quarter 1973 over the low July-September period is reduced to less than 5 percent after allowing for a normal 2½-percent seasonal increase. Meat, up 10 percent after seasonal adjustment, accounts for nearly all of the advance, though poultry will make a small contribution.

Next year red meat supplies are expected to regain about half of this year's drop. Poultry consumption likely will be at record levels, and egg consumption may increase a little. Supplies of dairy products, however, are expected to decline. Consumption of all livestock products may move up 1-2 percent and, with little change foreseen in crop food consumption, total food consumption per capita could increase about 1 percent in 1974.

Per capita food consumption indexes, seasonally adjusted

Period		Total livestock	Meat
		1967=100	
1971	I	103.7	106.0
	II	103.4	108.3
	III	104.9	108.9
	IV	103.1	105.8
1972	I	103.8	105.2
	II	103.4	106.9
	III	102.3	103.6
	IV	103.4	105.7
1973	I	101.2	100.7
	II	98.4	97.2
	III	97.2	93.7

Despite tight supplies early in 1974, meat consumption during the first half should average slightly above the reduced level this year. A modest gain is expected in the second half. Poultry consumption will be higher all year, making the largest gains in second and third quarters—periods of greatest lag this year. Gains for eggs, to begin in the second quarter, are expected to get progressively larger—reaching 2-5 percent more than this year's level in the last quarter. Reductions for dairy products will be spread throughout the year.

Commodity Reviews

Meat.—Per capita red meat consumption this year is down 11-13 pounds from the 189 pounds consumed

Table 4.--Per capita food consumption index, 1960-73 1/

Selected years	Meat	Poultry	Fish	Eggs	Dairy products 2/	Fats and oils: Animal 2/	Fats and oils: Vegetable	Fats and oils: Total	Fruits 3/: Fresh	Fruits 3/: Processed	Fruits 3/: Total
1960	92	75	95	104	106	123	81	96	111	95	103
1961	92	82	99	101	104	125	78	95	107	92	99
1962	93	81	98	101	105	123	81	96	102	96	99
1963	96	82	99	98	104	119	85	97	93	88	90
1964	98	84	97	98	104	116	90	99	98	85	91
1965	94	89	101	97	103	111	92	99	100	90	95
1966	96	96	100	97	102	99	102	101	100	90	95
1967	100	100	100	100	100	100	100	100	100	100	100
1968	103	99	102	99	101	103	104	103	98	97	97
1969	102	103	102	98	100	95	110	105	98	102	100
1970	104	108	109	99	99	90	116	107	101	103	102
1971	107	109	105	97	99	90	113	105	98	106	102
1972	105	113	113	95	100	84	120	107	94	104	100
1973 4/	99	112	112	90	100	79	123	107	96	111	104

Selected years	Vegetables 5/: Fresh	Vegetables 5/: Processed	Vegetables 5/: Total	Potatoes and sweetpotatoes: Fresh	Potatoes and sweetpotatoes: Processed	Cereal products	Sugar and sweeteners	Coffee, tea, and cocoa	All food: Animal products	All food: Crops 6/	All food: Total
1960	107	84	99	129	56	103	98	100	95.7	97.1	96.4
1961	104	85	98	127	59	102	98	102	95.8	96.4	96.0
1962	102	89	97	121	64	101	99	102	96.2	96.5	96.3
1963	101	89	97	124	69	100	99	105	97.3	95.9	96.6
1964	100	91	97	113	76	101	99	102	98.8	96.4	97.6
1965	100	95	98	105	86	101	99	99	96.9	97.6	97.2
1966	98	97	98	106	98	99	100	99	98.1	98.6	98.3
1967	100	100	100	100	100	100	100	100	100.0	100.0	100.0
1968	99	104	100	101	106	101	103	100	101.5	101.1	101.2
1969	99	104	101	94	118	101	104	97	101.2	102.0	101.5
1970	100	104	101	91	121	98	106	94	102.5	103.1	102.8
1971	99	105	101	87	124	99	106	92	103.8	102.8	103.3
1972	99	107	102	86	126	98	108	98	103.5	103.9	103.7
1973 4/	97	109	101	82	126	98	108	96	100.0	104.6	102.1

1/ Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. Data for earlier years are given in the 1970 Supplement to Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, November 1971. 2/ Includes butter. 3/ Excludes melons and baby food. 4/ Preliminary. 5/ Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes. 6/ Includes melons, dry beans and peas, nuts, soup, and baby food in addition to groups shown separately.

Table 5--Livestock products: Per capita consumption indexes, quarterly, 1969-73 1/
(1967=100)

Year and quarter	Meat	Poultry	Eggs	Dairy products: Excluding butter	Dairy products: Including butter	Animal fats including butter	Total livestock products 2/
1969 I	102.9	85.2	99.4	98.2	98.7	100.7	99.3
II	99.5	97.3	97.0	102.8	102.2	88.1	99.7
III	102.7	106.9	96.9	100.6	100.1	95.6	101.9
IV	103.7	123.5	99.1	99.2	99.2	95.2	103.8
1970 I	101.5	91.8	98.9	98.9	98.9	99.4	99.4
II	100.8	102.1	96.5	100.4	99.4	83.7	99.9
III	104.8	113.2	97.2	100.2	99.7	84.3	103.1
IV	109.7	124.5	101.0	98.5	98.6	93.9	106.7
1971 I	106.2	92.8	98.2	99.0	99.0	98.8	101.8
II	106.1	100.7	96.4	100.2	99.3	83.7	102.3
III	109.0	113.0	95.2	100.5	99.5	88.2	105.2
IV	107.6	127.9	98.4	98.7	98.8	91.3	105.8
1972 3/ I	105.4	98.0	98.7	99.8	99.3	89.1	101.9
II	104.8	107.6	93.3	101.0	100.0	79.8	102.3
III	103.7	115.7	92.9	101.0	100.0	82.4	102.6
IV	107.5	131.7	94.8	99.9	99.4	85.6	106.1
1973 3/ I	100.9	98.1	92.0	101.2	100.2	82.1	99.4
II	95.3	104.2	90.3	102.1	101.0	78.5	97.3
III	93.8	113.1	87.9	102.3	101.2	79.8	97.5
IV	104.7	130.7	90.4	101.0	99.5	74.0	104.3

1/ Civilian consumption only. Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combined in terms of average 1957-59 retail prices. Data since 1955 are in the 1970 Supplement to Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, November 1971.

2/ Excludes fish and honey.

3/ Preliminary.

in 1972 and 14-16 pounds from the record high in 1971—to the lowest level since 1966. Beef is off around 5 pounds and pork about 6 pounds from 1972 while veal and lamb and mutton each are down around half a pound (table 6).

Beef consumption totaled 54.1 pounds and pork consumption 31.4 pounds per person in the first half of 1973—each 3 pounds less than in the same period a year earlier. Veal consumption totaled about 1 pound, down slightly to a new record low. Lamb and mutton consumption was about 1.4 pounds, half a pound lower than a year earlier.

Per capita consumption of red meat in the third quarter of 1973 is estimated at just over 42 pounds, down about 4½ pounds from July-September 1972 and 0.6 pound below April-June. This was the lowest summer rate since 1965. Consumption in the third quarter showed beef down about 2½ pounds from last year's 29.3 pounds and pork off over 1½ pounds from 15.8 pounds a year ago. Veal and lamb and mutton consumption was also below a year earlier.

Fourth quarter per capita meat consumption is expected to be off about 1 pound from a year earlier but up 5 pounds from the third quarter. Beef consumption will be about the same as the 30 pounds consumed in the same period a year earlier and 3 pounds more than the estimate for the third quarter. For the year, it will total about 111 pounds per person, down 4 percent from 1972.

Per capita consumption of pork this fall will be seasonally larger than in summer but will probably be considerably below the 17.2 pounds consumed in the fourth quarter last year. Thus, for the year, pork consumption is expected to be about 6 pounds less than the 67.4 pounds consumed in 1972, and at the lowest level since 1966.

Expected reductions in veal output the rest of the year will result in an annual consumption of about 1.8 pounds per person compared with 2.2 pounds in 1972. This continues the downtrend of many years, largely the result of retaining calves for beef production and a declining dairy herd.

Increases in imports may largely offset reduced domestic production of lamb and mutton during the fourth quarter. Little change from last year or from the third quarter per capita supply is expected. This would mean a 1973 consumption rate of 2.8 pounds per person compared with 3.3 pounds in 1972, reflecting reduced supplies through the third quarter of the year.

Fishery products[1].—Per capita consumption of fishery products is expected to decline slightly from the 12.2 pound level of 1972. The decline is attributable to lower production of major canned items, particularly salmon and sardines. Per capita consumption of canned fishery products this year will drop to about 4.7 pounds, or 4 percent below a year ago. Per capita consumption of fresh and frozen fishery products, however, will likely increase slightly this year.

Raw material for fish sticks and portions production became increasingly short relative to demand during the third quarter. Imports of frozen fish blocks (the primary source of material for sticks and portions) through August were off 17 percent from the previous year. The quantity of blocks in storage on October 1—usually the peak month for inventories—was 42 percent below the previous year's exceedingly high level. This indicates that fourth quarter sticks and portions production will be well below the last quarter of 1972. Although inventories of sticks and portions are presently above the previous year, they do not appear sufficiently large to offset the expected decline in production.

Supplies of the major fish fillets present a much brighter picture. Because of higher inventories and imports, supplies of fish fillets during the third quarter were relatively abundant even though domestic landings were off substantially. This was true for all the major species, including cod, flounder, ocean perch, and haddock. Despite abundant supplies, prices for all species at all market levels increased substantially in recent months, reaching record levels in several instances. Since the high price level has not deterred consumption to a large extent, consumption should continue above last year in remaining months of 1973.

Production of all canned products is below the previous year. Canned salmon supplies are particularly low as a result of an extremely low catch. Accordingly, both the pack and the quantity in storage were well below last year's level. Tuna and sardine production has also been off this year; however, carryover inventories from large packs in 1972 are somewhat offsetting.

During the first three quarters of 1973 supplies of shrimp were off about 7 percent as sharp declines in both landings and imports more than offset extremely high inventories at the beginning of the year. Because of the shortage of new supplies, inventories have been drawn down rapidly—declining through the third quarter instead of the normal seasonal buildup. Demand continues strong despite record price levels. Third quarter consumption was about the same as in 1972. However, decreasing supplies and record prices are expected to reduce consumption somewhat during the remainder of the year.

Supplies of most other shellfish appear adequate. Relatively large quantities were in storage at the end of the third quarter.

Poultry.—Since first quarter 1973 per capita poultry consumption has lagged the record highs set in 1972. The widest margins, 2-3 percent in the second

[1] Information supplied by Market Research and Service Division, National Marine Fisheries Service, U.S. Department of Commerce.

Table 6.--Civilian per capita consumption of major food commodities (primary distribution weight) and civilian population, selected years 1/

Commodity	1960	1967	1971	1972	1973	1973 indications as percentage of 1972
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Pct.
Meats (carcass weight)	160.9	178.3	191.8	188.9	177.9	94
Beef	85.1	106.5	113.0	116.0	110.9	96
Veal	6.1	3.8	2.7	2.2	1.8	82
Lamb and mutton	4.8	3.9	3.1	3.3	2.8	85
Pork (excluding lard)	64.9	64.1	73.0	67.4	61.5	91
Fish (edible weight)	10.3	10.6	11.4	12.2	12.1	99
Poultry products:						
Eggs (farm basis)--Number	334	320	314	307	292	95
Chicken (ready-to-cook)	28.0	37.2	41.4	42.9	42.1	98
Turkey (ready-to-cook)	6.1	8.6	8.5	9.1	9.1	100
Dairy products:						
Cheese	8.3	10.1	12.2	13.2	13.8	105
Condensed and evaporated milk	13.7	9.0	6.8	6.4	5.9	92
Fluid milk and cream (milk equivalent)	322	285	259	258	255	99
Ice cream (product weight)	18.3	17.8	17.5	17.5	17.7	101
Fats and Oils--Total, fat content	45.3	49.4	52.1	53.3	53.3	100
Butter (actual weight)	7.5	5.5	5.1	4.9	4.6	94
Margarine (actual weight)	9.4	10.5	11.1	11.3	11.4	101
Lard	7.6	5.4	4.3	3.8	3.1	82
Shortening	12.6	15.9	16.8	16.7	16.7	100
Other edible fats and oils	11.5	15.2	18.0	19.6	20.6	105
Fruits:						
Fresh	93.4	81.0	79.8	76.9	77.7	101
Citrus	33.7	31.6	29.2	27.3	27.6	101
Apples (commercial)	18.3	16.2	16.1	17.2	16.7	97
Other (excluding melons)	41.4	33.2	34.5	32.4	33.4	103
Processed:						
Canned fruit	22.6	22.6	21.9	21.7	21.4	99
Canned juice	13.0	11.7	15.9	15.7	15.9	101
Frozen (including juices)	9.1	10.1	10.2	10.1	11.5	114
Dried	3.1	2.8	2.6	2.0	2.5	125
Vegetables:						
Fresh 2/	105.9	98.2	99.2	98.1	96.5	98
Canned, excluding potatoes and sweetpotatoes	43.4	49.0	51.2	52.2	52.5	101
Frozen, excluding potatoes	7.0	9.0	9.7	10.1	10.6	105
Potatoes, fresh equivalent	109.4	109.2	118.9	120.3	118.2	98
Sweetpotatoes, fresh equivalent	7.1	5.8	5.0	5.0	4.8	96
Grains:						
Cornmeal and flour	6.6	7.2	7.4	7.4	7.4	100
Corn sirup	10.1	14.1	16.2	18.2	18.2	100
Corn sugar	3.7	4.6	5.0	4.8	4.8	100
Wheat flour 3/	118	112	110	109	109	100
Wheat cereals	2.8	2.9	2.9	2.9	2.9	100
Rice, milled	6.1	7.5	7.7	7.0	7.0	100
Other:						
Coffee (green beans)	15.8	14.8	13.3	13.9	13.6	98
Tea	.59	.69	.77	.77	.78	101
Cocoa beans	3.6	4.2	4.0	4.4	4.2	95
Peanuts (shelled)	4.9	5.7	5.9	6.2	6.3	102
Dry edible beans	7.3	6.9	5.9	6.3	6.3	100
Melons	25.8	22.3	22.6	21.8	21.8	100
Sugar (refined)	97.6	97.3	102.4	103.0	103.2	100
	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Civilian population 4/	178.1	195.2	204.2	206.5	208.1	101

1/ Quantity in pounds, except for eggs. Data on calendar year basis except for dried fruits, which are on pack-year basis, fresh citrus fruits and peanuts on a crop-year basis, and rice on August 1 year. Fresh citrus year begins in previous October and rice year begins in previous August.

2/ Commercial production for sale as fresh produce.

3/ Includes white, whole wheat, and semolina flour.

4/ July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

and third quarters, coincided with major reductions in red meat supplies. During the fourth quarter, consumption of poultry will be only slightly under the all-time high year-earlier rate.

Despite a moderate increase in turkey use, poultry consumption in the first half of 1973 declined 2 percent from year earlier levels. Chicken consumption was down about half a pound from the 21½ pounds consumed per person in first half 1972. In the third quarter, chicken consumption was down slightly while turkey consumption was near last year's level. In the fourth quarter, chicken consumption is expected to equal, and turkey consumption will be only slightly under record high levels.

New highs are expected for both chicken and turkey next year. Output of chicken likely will gain moderately and by mid 1974 may surpass 1973's output by 3-5 percent. Turkey production may increase sharply in 1974. As of September producers indicated plans to hold 15 percent more breeder hens for 1974.

Eggs.—Per capita consumption may be off 15 eggs per person this year from the 307 consumed in 1972. This is the largest annual decline since 1960, bringing consumption to the lowest level since the 1930's. Egg consumption has averaged 5 percent under 1972 levels and will continue to lag during the fourth quarter. High feed costs and declining profitability limited production of pullets for flock replacement this fall. The laying flock, down 4 percent from last year on October 1, will increase in coming months but probably will not match year-earlier levels until early 1974.

Dairy products.—Though milk production this year likely will decline 3 percent, per capita consumption of dairy products will be up slightly. Imports are up sharply, exports are down sharply, and stocks have been reduced for most major products except nonfat dry milk.

Cheese consumption increased about 5 percent in 1973 to an alltime high of nearly 14 pounds per person. Use of ice cream and low fat fluid milk has increased also. A sharp gain in domestic disappearance of nonfat dry milk, up ½ pound or more per person from the 4.6 pounds consumed last year, is at least partly due to rebuilding of pipeline stocks which were at low ebb prior to the special increase in imports allowed this year. Butter, canned milk, and fluid whole milk use per person has continued to decline in 1973.

Stocks of dairy products on September 1 were down about 2 billion pounds, milk equivalent, from a year ago. About half of this reduction was Government owned butter stocks. With no new USDA purchases of butter, distribution for domestic program needs has come from Government stocks which are now nearly exhausted.

Tight supplies have limited USDA dairy product purchases to about 2½ billion pounds milk equivalent this year, down from 5.4 billion pounds in 1972 and the least since 1966. Nonfat dry milk purchases will probably be the least since the early 1950's.

Imports of dairy products (fat solids basis) will about double this year because of temporary increases allowed in quotas for cheese and butter. Also, 265 million pounds of nonfat dry milk have been allowed to enter the country this year in addition to the mere 1.8-million-pound annual import quota.

Fats and oils.—Per capita consumption of edible food fats this year is expected to remain at the 1972 level of 53.3 pounds. And no change is indicated for 1974. Sharp declines for lard and butter in 1973 were offset by a large increase for salad and cooking oils and slightly more margarine.

Production of both butter and lard is down 17 percent in 1973, but sharply reduced exports and greatly increased imports of butter late in the year limited the decline in domestic supplies. The decline in butter use may be steeper in 1974 because of the further reduction expected in donations under USDA's Food Distribution Program. The decline for lard, however, likely will be minimal next year.

Peanut supplies are large and in excess of civilian food requirements. Edible use is expected to total about 6 pounds per person (kernel basis), not much changed from the past several years. Peanut prices in 1974 will be above year earlier levels due to increased mandatory support prices.

Fruit.—Per capita consumption of fruit increased 4 percent this year over the reduced 1972 level, to reach the highest level in 14 years. Fresh use gained 2 percent while consumption of processed items rose about 6½ percent.

Most of the increase was due to record large citrus supplies. Frozen citrus juice led the pace with a 22 percent advance. Per capita consumption of non-citrus was also up somewhat.

About half of the 23 percent advance reported for noncitrus fruit production in 1973 is attributable to a tremendous increase for grapes following a disastrous crop failure the year before. Grapes used for wine are excluded from food calculations. Though fruit supplies will gain substantially through increased output of grapes for fresh use and raisins during 1973, production of other deciduous fruits was up only 12 percent over 1972 and 1 percent less than in 1971 which is considered to be a normal sized crop. Thus, the production gain this year will merely serve to replenish stocks of processed products which were drawn down to very low levels before new packs became available this summer. Little change in the consumption rate is indicated for 1974 until next summer's production becomes available.

Another large citrus harvest is underway though it is expected to be slightly below the record quantities produced last year.

Treenuts.—Production of the four major edible tree

nuts—almonds, filberts, walnuts, and pecans—is nearly a fourth larger than last year's utilized crop. But the carryin stock level this summer was one of the lowest in recent years for walnuts, almonds and pecans, to partially offset this production gain. Foreign demand is strong, suggesting an increase in exports which will limit the gain in U.S. consumption in the year ahead.

Vegetables.—Per capita consumption of vegetables remained relatively unchanged in 1973, with a decline in fresh use about offset by increased consumption of both canned and frozen vegetables. Price regulations in effect until September 10 tended to hold down price increases for processed vegetables more than most other foods, thus stimulating consumption through most of the year.

Despite increased imports, per capita consumption of fresh vegetables fell slightly this year. The decline occurred in winter and spring. Summer supplies probably totaled slightly larger than in 1972 and fall production of 14 major fresh vegetables is projected to be 4 percent above last year.

Processed vegetable supplies for 1973/74 will be up slightly. Supplies of canned snap beans, beets, sauerkraut and tomato products will be larger than in the marketing year just ended. The supply of 7 major frozen vegetables, excluding potatoes, will increase moderately, with snap beans, lima beans, and sweet corn contributing to the gain.

Limited supplies forced a sharp drop in fresh use, so per capita potato consumption was down 2 percent in 1973. Consumption in processed forms increased; frozen potato product consumption rose to 13.1 pounds per person, 2 percent more than in 1972. Dehydrated use showed substantial gains. The fall potato crop, a large part of the supply for use until next summer, is expected to be 2 percent larger than the small 1972 harvest.

Production of sweetpotatoes is 1 percent less than 1972. Consumption, at 4.8 pounds fresh equivalent per person, reached a record low in 1973.

Domestic per capita consumption of dry beans has been maintained at 6.3 pounds in the past two years despite higher prices and strong export demand. Though production this fall is a tenth below last year, consumption of this high-protein food is likely to continue at that level in 1974.

SUPPLY AND UTILIZATION

Net production of U.S. farm food commodities during calendar year 1973 is expected to total about 3 percent above 1972 (table 7).[1] Food imports will likely match last year's high level. However, beginning stocks were smaller than a year earlier leaving total utilization only a little above 1972. Exports of food commodities are expected to be up about 20 percent. Consequently, domestic food use is likely to show a 2½ percent decline for all of 1973 and end-of-year stocks may be only slightly above year-earlier levels (figures 8 and 9).

Civilian food use of agricultural commodities dropped much more in the Supply and Utilization Index than the 1½ percent decline indicated by the Per Capita Consumption Index. One would normally expect per capita consumption to decline more than aggregate supply due to population growth. Both measures—the S-U in terms of farm commodities weighted by farm prices, the PCC in terms of

[1] Net production excludes domestic feed and seed uses to avoid duplication in total use.

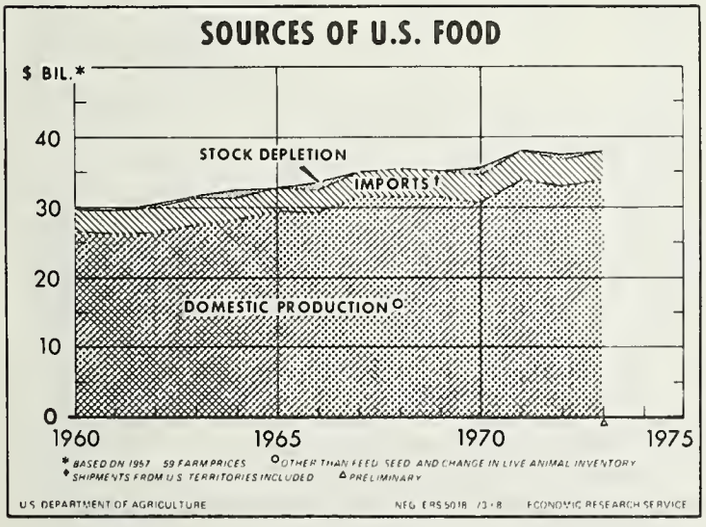

Figure 8

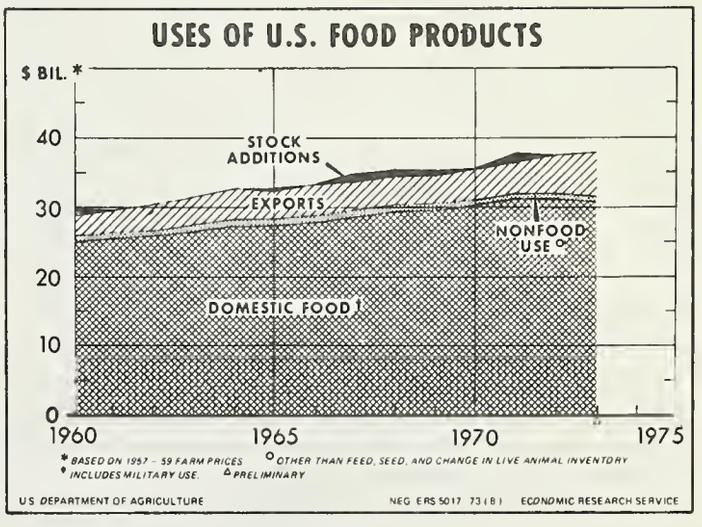

Figure 9

Table 7.--Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1967-73 1/

Year	Supply: Production	Supply: Imports 2/	Supply: Stocks 3/	Total annual utilization	Utilization: Domestic: Food: Civilian	Utilization: Domestic: Food: Military	Utilization: Domestic: Nonfood: Seed and feed	Utilization: Domestic: Nonfood: Other	Utilization: Domestic: Total	Utilization: Exports and shipments 4/
	A.--All food commodities indexes: (1967=100) 5/									
1967	100.0	100.0	100.0	100.0	100.0	100.0	---	100.0	100.0	100.0
1968	100.3	111.7	109.1	102.1	102.5	97.9	---	101.6	102.3	100.5
1969	100.7	101.2	116.5	102.6	104.3	83.4	---	101.9	103.8	93.3
1970	98.4	105.1	120.7	105.7	105.7	70.3	---	91.6	104.5	114.1
1971	108.0	110.8	111.8	107.7	108.7	62.9	---	89.0	107.1	111.6
1972 6/	104.8	115.1	123.4	111.2	109.9	50.3	---	89.5	108.0	134.8
1973 6/	107.9	115.3	118.4	112.0	107.2	37.6	---	94.0	105.3	161.4
	Livestock food commodities (1967=100)									
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	100.6	109.3	128.8	102.1	102.2	99.6	96.7	103.1	102.0	106.2
1969	100.9	114.2	112.0	102.6	103.1	85.1	100.0	102.3	102.6	104.2
1970	103.6	125.0	96.8	104.8	105.8	71.6	102.0	96.1	104.7	109.1
1971	106.3	116.9	106.9	107.6	108.7	61.8	100.5	89.9	107.1	128.6
1972 6/	105.9	134.5	102.4	108.0	109.5	49.7	105.5	91.2	107.7	121.1
1973 6/	101.3	140.7	93.3	103.7	105.7	33.2	100.2	82.5	103.5	111.1
	Crop food commodities (1967=100)									
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	101.6	112.1	107.9	102.9	103.0	90.8	105.0	100.8	103.6	99.7
1969	103.8	98.3	116.7	105.3	107.2	76.9	110.2	101.7	107.9	91.7
1970	98.1	100.6	121.8	109.3	105.7	65.4	114.1	89.3	108.1	114.8
1971	113.3	109.3	112.1	110.8	108.8	67.2	117.4	88.5	111.1	109.2
1972 6/	111.6	110.3	124.4	119.9	111.0	52.7	127.0	88.6	116.1	136.8
1973 6/	121.1	109.0	119.7	124.6	110.6	54.2	122.9	99.5	114.7	168.5
	B.--All food commodities: Percentage of annual utilization 5/									
1967	93.0	10.3	-3.3	100.0	83.4	1.9	---	2.8	88.1	11.9
1968	91.3	11.3	-2.6	100.0	83.7	1.8	---	2.7	88.2	11.8
1969	91.3	10.2	-1.5	100.0	84.8	1.5	---	2.8	89.1	10.9
1970	86.6	10.3	3.1	100.0	83.5	1.2	---	2.4	87.1	12.9
1971	93.3	10.6	-3.9	100.0	84.2	1.1	---	2.3	87.6	12.4
1972 6/	87.7	10.7	1.6	100.0	82.4	.8	---	2.3	85.5	14.5
1973 6/	89.7	10.6	-.3	100.0	79.8	.6	---	2.4	82.8	17.2
	Livestock food commodities: Percentage of annual utilization									
1967	97.5	3.3	-.8	100.0	91.9	2.3	2.1	1.4	97.7	2.3
1968	96.0	3.5	.5	100.0	91.9	2.3	2.0	1.4	97.6	2.4
1969	95.9	3.7	.4	100.0	92.2	1.9	2.1	1.4	97.6	2.4
1970	96.3	3.9	-.2	100.0	92.7	1.6	2.0	1.3	97.6	2.4
1971	96.3	3.6	.1	100.0	92.8	1.3	1.9	1.2	97.2	2.8
1972 6/	95.7	4.1	.2	100.0	93.1	1.1	2.0	1.2	97.4	2.6
1973 6/	95.4	4.4	.2	100.0	93.7	.7	2.0	1.1	97.5	2.5
	Crop food commodities: Percentage of annual utilization									
1967	90.4	14.6	-5.0	100.0	44.6	.7	33.1	3.3	81.7	18.3
1968	89.2	15.9	-5.1	100.0	44.6	.6	33.8	3.2	82.2	17.8
1969	89.4	13.6	-3.3	100.0	45.6	.5	34.7	3.2	84.0	16.0
1970	84.1	13.4	5.5	100.0	43.1	.4	34.5	2.7	80.7	19.3
1971	92.4	14.4	-6.8	100.0	43.8	.4	35.0	2.7	81.9	18.1
1972 6/	84.2	13.4	2.4	100.0	41.3	.3	35.0	2.5	79.1	20.9
1973 6/	87.9	12.7	-.6	100.0	39.6	.3	32.6	2.7	75.2	24.8

1/Quantities weighted by constant farm prices. Domestic use allocated on basis of value of processed products. Includes essentially all commodities having any U.S. food use; for item list, see NFS-124; for 1950-64 data see NFS-136. 2/Includes shipments from U.S. Territories. 3/Farm (other than live animals), commercial, and Government program holdings. Section A: January 1; derived by applying annual changes to January 1961 level. Section B: Represents stock changes. Negatives indicate stock increases; positives signify withdrawals. 4/Includes shipments to U.S. Territories. 5/ Feed and seed omited from total commodities to avoid double counting of use through livestock. 6/Preliminary.

individual foods weighted by retail store prices—utilize basically the same commodity statistics. Since livestock products have relatively lower marketing costs than crops, they have more weight in the S-U index than in the Per Capita Consumption Index. Thus the sharp drop in consumption of livestock products this year, especially for meats, was accentuated and the crop increase minimized in the farm commodity measure. In addition, the inclusion of fish in the per capita consumption measure slowed the decline for that index slightly.

1973 Food Imports to Match 1972 Level

Imports of farm food commodities in 1973 are expected to match 1972's high level. An expected 5 percent increase in livestock food product imports will be offset by a 1 percent drop in imports of crop food products.

Import quotas for dairy products were temporarily raised this year allowing substantially increased amounts of nonfat dry milk, butter, and cheese to be imported. Imports of beef and eggs were also up. All these increases partially offset lower domestic output of livestock products. Imports of pork, veal, and lamb and mutton are expected to fall short of last year's level. For crop food products, imports of coffee, tea and fruits and vegetables (including melons) are expected to increase. Imports of sugar, cocoa beans and semiprocessed cocoa and chocolate are expected to decline.

1973 Food Exports Up Again

The volume of farm food exports this calendar year will total 20 percent higher than last year, nearly the same gain as a year ago. Exports may account for about 17 percent of total utilization in 1973 compared with about 15 percent last year. The sharp increase is again associated with crop commodities, primarily grain and soybean products. Livestock food product exports, which account for less than a tenth of farm food exports, will likely decline about a tenth this year.

For crop food products, increases are likely for exports of wheat, corn, sorghum, barley, soybeans (including meal), peanuts, and most fresh and processed fruits and vegetables including potatoes, dry beans and dry peas.

For livestock products, the biggest declines in exports are occurring in butter—down about three quarters—and nonfat dry milk. Indeed the United States is a net importer of these products this year. There will also be some declines in cheese, condensed milk, chicken and eggs. Exports of beef, pork, turkey and honey are expected to increase this year.

SUGAR AND TROPICAL PRODUCTS

Sugar

Per capita consumption of refined sugar in 1973 is expected to approximate last year's level of 103 pounds. Total physical deliveries for the first 10 months ran about 150,000 tons ahead of the same period a year ago.

Domestic Production Up Slightly

Domestically grown sugar production is expected to increase about 200,000 tons (raw value) in calendar 1973 reflecting the large sugar beet crop of 1972, of which a sizeable portion wasn't processed until this year, plus the large 1973 mainland cane crop. The 1973 beet crop may be down a tenth from a year ago, a combination of reduced acreage and somewhat lower yields.

Consumption Requirements for 1973 and 1974

On September 28 and November 2, the U.S. Department of Agriculture announced increases in U.S. domestic sugar requirements of 100,000 tons (raw value) in each action to 11.7 million tons for calendar year 1973. Deficits were also declared for the domestic beet quota and reallocated to foreign suppliers.

On November 2, the U.S. Department of Agriculture announced 1974 U.S. sugar requirements at 11.8 million tons (raw value). Deficits of 700,000 tons from Puerto Rico and 392,000 tons from the continental beet area were declared and reallocated to foreign suppliers. Uganda and the Bahamas were given no 1974 quotas since they will not be able to supply their 1973 quotas. Similarly 1974 quotas for the British West Indies (including Guyana), Peru, and Venezuela were reduced commensurate with the failure of each to fill its 1973 quota. Each country exported sugar to countries other than the United States.

World Situation—Tight But Improving

The 1973/74 world sugar crop is expected to be up significantly from the 1972/73 crop. World production may exceed world consumption for the first time in several years. Even so, the world supply situation may remain tight for some time. Because of the prospective tight supply condition, world sugar prices will probably remain near current high levels for some time. Only the consecutive record-high crops

in 1972/73 and 1973/74 will keep currently high world sugar prices from going even higher.

International Developments—No Sugar Agreement

The Second Session to negotiate a New International Sugar Agreement under the auspices of the United Nations Conference on Trade and Development was held in Geneva, Switzerland, September 10-October 13. The present agreement expires at the end of this year. Because of lack of agreement, there will be no New International Sugar Agreement containing economic (quota or price restrictions) provisions. However, the organization will continue to gather and publish statistical data. While the United States is not a member of the present International Sugar Agreement, it participated in the negotiations as a member of the United Nations.

Sugar Prices Rise

Sugar prices at all levels increased sharply this year (table 8). The most recent raw sugar price ($11.15 per hundredweight, November 7, New York spot) was over $2.00 per hundredweight higher than the calendar year 1972 average and last year's fourth quarter level. Increases in wholesale refined and retail prices were less than the raw price increase.

Restrictions imposed by the Cost of Living Council during June 9-September 9 (Phase 3½ and 4-A) severely limited any increase in beet sugar prices during that period. However, since September 9, based on guidelines published in the *Federal Register* (Aug. 9, p. 21611), prices of any product or service sold via a participating risk-sharing contract such as beet sugar could be increased commensurate with any increase in a comparable raw material (such as raw cane sugar). Some increases in both wholesale refined cane and beet sugar prices were noted in September and October.

Honey Production May Decline

Based on commercial production of beekeepers with 300 or more colonies in the 20 major producing States, the 1973 honey crop may be slightly smaller than last year's 214.6 million pound crop. Imports will be down sharply from last year's near 40 million pounds, while exports are up significantly from last year's 4 million pound near record low. Demand continues strong and prices at all levels will likely remain near current levels.

Coffee

Per Capita Consumption Down

Per capita coffee consumption appears likely to decline some from the 13.9 pound level posted last year. Higher retail coffee prices discourage any increase in consumption.

Coffee Imports Up—Roastings Down

Green coffee imports totaled 2.23 billion pounds for the first 9 months this year, up 7 percent from last year's level for the same period.

Roasted coffee imports for the first 9 months this year were over a fourth higher while instant coffee imports were about a fifth higher than for the same period a year ago. Roasted's level for January-September this year was 37 million pounds while instant's was 121 million pounds (both figures in green bean equivalent).

However, domestic roastings of 1.32 billion pounds for the first half of this year were down 3 percent from the first half of last year. Roastings for both regular and instant coffee declined. Since coffee imports are running ahead while coffee roastings are running behind last year's pace, end-of-year stocks of green coffee will likely be up some from end-of-1972 stock levels.

1973/74 Coffee Crop Down 13 Percent

The Foreign Agricultural Service's second estimate (September) of 1973/74 world coffee production is 66 million bags (132.3 pounds each). This is 13 percent less than the 1972/73 crop. Two countries, Brazil and Ivory Coast, accounted for most of the drop. Brazil's 16 million bag crop (affected by the July 1972 frost) was down nearly 40 percent while Ivory Coast's 4 million bags (affected by drought) was down a fifth.

Exportable production (total harvested production less estimated domestic consumption in producing countries) is expected to total fractionally over 46 million bags. This is a drop of nearly a fifth from the 1972/73 level. World exports are expected to total 54 million bags, continuing the pattern of recent years in which world exports have exceeded exportable production resulting in a still further drawdown in world stocks.

Producing Countries Attempt Supply Control

With the expiration of the quota provisions of the International Coffee Ageement, producing countries are attempting to limit exports to consuming countries. Thirty of the world's coffee producers, who account for four-fifths of world production, have agreed to withhold 5.5 million bags from market for the 1973/74 marketing year (October 1973/September 1974). They call their system "controlled retention," and each country must prove to an 8-member administrative board the coffee withheld actually existed to comply with the program.

Within the overall supply control scheme, several

Table 8.--U.S. sweeteners, sweetener-containing products, and beverages, selected prices, 1972 and 1973

Commodity	1972					1973		
	Year	I	II	III	IV	I	II	III
	Cents per pound (except as noted)							
Sugar								
Raw:								
New York, duty paid	9.09	9.09	8.81	9.30	9.18	9.32	9.99	10.66
World, f.o.b. Caribbean	7.43	8.53	6.96	6.30	7.92	9.12	9.50	9.32
Quota premium 1/	+.56	-.51	+.76	+1.88	+.08	-1.11	-.84	-.07
Refined:								
Wholesale:								
Northeast, cane 2/	13.09	12.94	13.20	13.20	13.01	13.09	13.60	14.45
Chicago West, beet or cane 2/	11.82	11.83	11.90	11.90	11.65	11.62	11.86	12.30
Pacific Coast, beet or cane 2/	11.65	11.40	11.70	11.70	11.79	11.53	11.96	12.40
Bulk dry beet, f.o.b. plant 3/	10.59	10.29	10.62	10.65	10.82	10.77	10.94	11.30
Retail, U.S. 5-pound package	13.90	13.82	13.92	13.86	14.02	14.23	14.61	15.11
Corn sweeteners								
Wholesale, Chicago								
Corn sirup 3/	4.52	4.65	4.46	4.57	4.38	5.04	6.14	8.19
Dextrose 3/	10.00	10.00	10.00	10.00	10.00	10.05	10.65	10.94
Table sirups								
Retail: (16-oz. containers)								
Cane and corn blends 4/ 5/	37.1	36.6	36.9	37.3	37.6	37.9	38.7	39.8
Maple and corn blends 4/ 5/	51.5	50.7	51.4	52.0	52.0	52.2	52.5	52.7
Sugar-containing products								
Cereal and bakery products								
Retail:								
White bread	24.7	24.5	24.7	24.7	24.7	25.1	26.2	27.7
Cake mix 4/	37.8	37.4	37.7	38.0	38.3	38.5	39.0	39.5
Cake (plain) 4/	65.7	64.6	65.1	66.0	67.0	68.3	69.6	70.9
Cookies (cream sandwich)	55.2	55.1	55.5	55.1	55.3	56.4	56.5	57.6
Processed foods								
Canned peaches (#303 can) 5/	37.5	37.3	37.4	37.5	37.9	38.7	39.9	41.3
Canned pears (#2½ can) 5/	53.5	52.9	53.1	53.5	54.4	55.1	56.2	56.7
Fruit cocktail (#303 can) 5/	31.6	31.5	31.6	31.5	31.9	32.8	33.5	33.7
Sliced pineapple (#2 can) 4/	43.8	43.6	43.7	43.9	44.1	44.3	44.5	44.7
Frozen strawberries 4/	55.8	54.6	55.4	56.2	57.0	57.8	58.6	59.4
Confectionery and prepared foods								
Chocolate bar (1-oz.) 5/	6.70	6.70	6.70	6.70	6.70	6.73	6.90	7.07
Non-chocolate candy (without nuts) 4/	53.2	52.8	53.4	53.4	53.0	53.6	54.6	55.6
Chocolate flavored sirup (16-oz. container) 5/	25.2	25.5	25.3	24.9	25.0	25.3	26.1	26.3
Grape jelly (10-oz. container) 5/	32.9	32.4	32.9	33.0	33.2	34.0	35.1	35.5
Gelatin dessert, flavored 4/	70.8	70.5	70.8	70.8	70.9	70.9	70.9	70.9
Catsup 4/	33.8	33.3	33.6	34.0	34.4	34.8	35.3	35.7
Dairy products								
Ice Cream (1/2 gallon) 5/	85.8	85.9	85.9	85.7	85.7	86.9	88.6	90.4
Beverages								
Cola drink (6-12 oz. bottles)	83.3	82.8	83.0	83.3	84.1	84.6	85.9	86.0
Carbonated fruit drink (6-12 oz. bottles) 5/	73.2	72.6	72.8	73.3	74.0	74.3	75.2	75.5
Pineapple-grapefruit juice drink (46 oz. container)5/	36.8	36.6	36.7	36.8	37.1	37.4	37.8	38.1
Frozen lemonade concentrate (6-oz. container) 5/	14.4	14.4	14.3	14.2	14.5	14.6	14.7	14.6
Coffee								
Wholesale, green, New York:								
Colombian, Manizales	57.1	51.5	53.0	62.2	61.5	71.7	72.8	75.2
Mexican, washed	50.5	46.5	47.3	55.2	53.0	63.3	60.8	62.1
Brazilian, Santos No. 4	52.5	44.9	47.6	60.8	56.7	61.5	65.7	70.8
Robusta, Ambriz No. BB	42.7	42.5	43.3	46.2	46.8	48.8	48.6	47.9
Retail, U.S.								
Roasted, can	92.7	92.1	91.8	92.4	94.5	97.9	103.0	106.6
Roasted, bag	74.5	73.1	72.8	73.7	78.5	79.7	84.6	89.1
Instant soluble (6-oz. jar) 5/	109.3	110.2	109.9	108.2	108.9	111.9	115.7	117.7
Tea								
Wholesale, black, New York	50.7	51.4	53.0	49.9	48.4	47.8	48.6	48.5
Retail:								
Package of 48 tea bags 5/	64.9	64.0	65.0	65.2	65.5	65.5	66.0	66.2
Package tea, Orange Pekoe 4/	195.4	193.3	194.6	196.0	197.5	199.0	200.5	202.6
Cocoa and Chocolate								
Wholesale, New York:								
Cocoa beans, "Accra"	32.3	26.9	30.0	34.5	37.7	39.7	61.2	82.9
Cocoa Butter	72.2	60.9	65.8	76.8	85.4	91.5	141.6	181.9

1/ Difference between New York and world prices, adjusted to exclude duty, computed freight from Greater Caribbean ports (including Brazil), insurance, and unloading charges. 2/ Basis price, 100 lb. paper bags, carload lots. 3/ Carload lots, dry basis. 4/ Average retail paid by farmers. Data adjusted on trend basis from end of quarter to middle of quarter. In certain instances quarterly estimates are interpolated and extrapolated. 5/ Cents per unit.

Source: Sugar prices (except bulk, dry, refined beet, f.o.b. plant and U.S. average retail--BLS data) from Sugar Reports. Retail prices paid by farmers for specified sweetener-containing products based on data from Statistical Reporting Service. Wholesale cocoa bean and cocoa butter prices from Journal of Commerce. All other data from Bureau of Labor Statistics.

African Robusta producers have agreed not to sell Robusta coffee below a certain minimum price level (though the actual level is not yet specified). They also agreed to limit their sales for the first quarter (Oct./Dec. 1973) to an undisclosed level below their share agreed upon at the 30-member producer conference. The objective here is to reduce Robusta stocks in consuming countries as well as to shore up the Robusta price.

Finally, Brazil, Colombia and Ivory Coast—which account for half of world production—have established a joint multi-national government coffee marketing corporation open to any producing country. The major purpose is to compete in the world market for coffee which is offered too cheaply, thus attempting to prevent coffee prices from falling below what producers view as reasonable.

It is difficult to ascertain the impact of the supply-control objectives of the various producer groups on coffee prices from the separate impact of the 13 percent smaller world crop. However, with the two separate upward pressures reinforcing each other, it would seem unlikely for green coffee prices to decline much until the size of the 1974/75 crop can be estimated.

U.S. Coffee Prices Continue Up

Wholesale green and retail coffee prices in the United States both increased further in the third quarter this year (table 8). The rate of increase was similar to the change from the first to second quarter. If the producer groups are successful in limiting exports to the United States, there will be some further rise in green coffee prices, which will be reflected at retail.

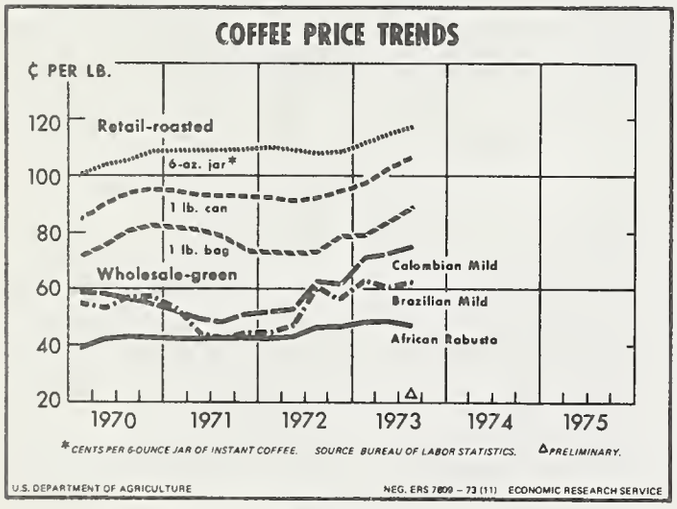

Figure 10

Tea

Tea imports for the first 9 months this year totaled 128 million pounds, up 11 percent from the same period a year ago. Annual imports appear likely to total about 165-170 million pounds, up from 151 million pounds in 1972 but less than the record 175 million pounds imported in 1971. Per capita consumption is expected to total 0.78 pound (dry leaf equivalent) up fractionally from the previous year.

In contrast to the sharp jumps in both wholesale and retail prices of most foods this year, tea prices continue to maintain their characteristic stability (table 8).

Cocoa and Chocolate

Per capita cocoa consumption will likely fall slightly short of last year's high 4.4 pound level (bean equivalent). The U.S. grind for the first 3 quarters totaled 467 million pounds, up nearly 2 percent from last year's pace. But a sharply smaller fourth quarter grind is expected to pull the 1973 total below last year's 637 million pounds.

Cocoa bean imports for the first 9 months of 1973 totaled 462 million pounds, down from 500 million pounds for the same period last year. Imports of semiprocessed cocoa products are trailing last year's pace and the total this year will likely fall short of the record 270 million pounds (bean equivalent) posted last year. Imports of consumer products so far this year are only falling fractionally short of last year's level and appear likely to nearly match last year's total of 22 million pounds (bean equivalent).

Because of the large drawdown in stocks, U.S. and world cocoa bean prices reached record highs this year. U.S. cocoa bean prices averaged 83 cents a pound in the third quarter, up from 61 cents in the second quarter and 40 cents in the first quarter (table 8). The annual average in 1972 was only 32 cents per pound.

While U.S. retail prices (chocolate bars and chocolate sirup) are typically much more stable and tend to lag cocoa prices, they are reflecting raw material prices and are now beginning to increase. The prospective tight world supply is expected to keep cocoa prices high and, consequently, retail prices will probably continue to increase for some time.

World Supplies Tight

The 1973/74 world cocoa bean crop is now forecast at 1.46 million metric tons, up 5.2 percent over the 1972/73 crop of 1.39 million, but well under the record 1971/72 crop of 1.57 million tons. World cocoa bean grindings in 1973 are expected to be down from the record 1972 level of 1.56 million metric tons, but still in excess of the world crop.

Say Goodbye to the 10 Cent Candy Bar!

The November-1968 *National Food Situation* forecast the demise of the 5 cent candy bar. The February-1971 issue of this same report said "goodbye to the 10-cent cup of coffee!" Unfortunately, it now also time to say "goodbye to the 10-cent candy bar!" Record high cocoa prices explain only part of the change. Prices of other ingredients—sugar, corn syrup, peanuts, nuts, fats and oils and dairy products—have also increased. And other costs of manufacturing and delivery continue to rise.

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NUTRITIONAL REVIEW*

ABSTRACT: The expected per capita nutrient levels for 1974 indicate slight gains in protein, fat, niacin, and ascorbic acid. In 1974, meat will contribute to a higher level for protein; salad and cooking oils for fat; poultry for niacin; frozen and canned juices for ascorbic acid. Less fluid whole milk and evaporated and condensed milks will result in lower levels for calcium and phosphorus. A comparison of nutrient levels for 1973 with those for 1967 shows them to be higher by 2 percent or more for most nutrients. During the last 25 years there has been an increase in nutrient fat, shifts in sources of fat, and changes in fatty acid content.

KEY WORDS: Food supply, diet, food consumption, human nutrition, food economics, fat.

OUTLOOK FOR 1974

Next year, based on changes now expected in per capita food supplies, there may be slightly more protein, fat, miacin, and ascorbic acid, and like decreases in calcium and phosphorus in the U.S. diet. A higher level for protein will result from anticipated increases in meat supplies which will also contribute, in part, to a higher level for fat. However, most of the gain in fat will result from continued rising use of salad and cooking oils.

Poultry consumption is expected to continue upward and contribute to a higher level for niacin. The higher level for ascorbic acid will come from larger supplies of frozen and canned juices, chiefly citrus. Decreases in levels for calcium and phosphorus will result from lower consumption of fluid whole milk and evaporated and condensed milks. No other changes are predicted in the nutritional outlook for 1974.

SITUATION IN 1973

Consumers had more ascorbic acid and calcium in 1973 than a year earlier. Ascorbic acid shows the larger increase, 2 percent (table 9). This increase came from larger supplies of all citrus fruits, particularly the frozen form. Calcium shows a gain of 1 percent because of increased use of low-fat milks, nonfat dry milk, and American cheese. The total increase in calcium from these foods more than compensated for the decrease from fluid whole milk.

*By Berta Friend, Consumer and Food Economics Institute, ARS, USDA.

On the other hand, 2 percent declines are indicated for iron, thiamin, vitamin B_6, and vitamin B_{12}. These decreases are attributed to lowered meat consumption especially beef and pork which are good sources of these nutrients. The smaller supplies of meat also contributed to a 1 percent drop in levels for food energy, protein, niacin, and fat. It is noteworthy that use of more salad and cooking oils, shortening, and cheese failed to offset a decrease in nutrient fat resulting from a drop in meat consumption. The suppy of other nutrients for which estimates are made remain unchanged.

SITUATION SINCE 1967

When the 1973 levels of food energy and the 14 nutrients for which estimates are made are compared with those for 1967, the greatest gain is in ascorbic acid, 8 percent, due to a corresponding gain in consumption of citrus fruits. A 4 percent increase in fat is attributable to expanded use of salad and cooking oils and, to a lesser extent, to shortening and margarine. Expansion of enrichment and fortification of foods and increased use of poultry account for the increase of 3 percent in vitamin B_6, niacin, and iron. Use of more dark green and deep yellow vegetables contributed to the higher level for vitamin A value.

Three food groups contributed to a 2 percent increase in food energy (calories), protein, vitamin B_{12}, and carbohydrate. Sugars and other sweetners accounted for the increase in carbohydrate, and together with fats and oils, were largely responsible for the additional calories. The meat, poultry, and fish group contributed to gains in protein and

Table 9.--Nutrients available for civilian consumption, per capita per day, selected periods 1/

Nutrient	Unit	Average 1957-59	1967	1971	1972	1973 preliminary	1973 as a percentage of 1957-59	1973 as a percentage of 1967	1973 as a percentage of 1972
Food energy	Cal.	3,140	3,210	3,320	3,320	3,290	105	102	99
Protein	Gm.	95	98	101	101	100	105	102	99
Fat	Gm.	143	150	158	158	156	109	104	99
Carbohydrate	Gm.	374	373	380	381	382	102	102	100
Calcium	Gm.	.98	.94	.94	.94	.95	97	101	101
Phosphorus	Gm.	1.51	1.52	1.53	1.53	1.53	101	101	100
Iron	Mg.	16.1	17.2	17.9	18.0	17.7	110	103	98
Magnesium	Mg.	348	343	343	344	343	99	100	100
Vitamin A Value	I.U.	8,000	7,900	8,200	8,100	8,100	101	103	100
Thiamin	Mg.	1.84	1.91	1.97	1.93	1.90	103	99	98
Riboflavin	Mg.	2.28	2.33	2.37	2.35	2.35	103	101	100
Niacin	Mg.	20.6	22.4	23.3	23.3	23.0	112	103	99
Vitamin B6	Mg.	2.01	2.18	2.28	2.29	2.25	112	103	99
Vitamin B12	Mcg.	8.9	9.5	9.9	9.9	9.7	109	102	98
Ascorbic acid	Mg.	105	108	115	115	117	111	108	102

1/ Quantities of nutrients computed by Agricultural Research Service, Consumer and Food Economics Institute, on the basis of estimates of per capita food consumption (retail weight), including estimates of produce of home gardens, prepared by the Economic Research Service. No deduction made in nutrient estimates for loss or waste of food in the home, use for pet food, or for destruction or loss of nutrients during the preparation of food. Civilian consumption. Data include iron, thiamin, riboflavin, and niacin added to flour and cereal products; vitamin A value added primarily to margarine, milk of all types, and milk extenders; ascorbic acid added primarily to fruit juices and drinks, flavored beverages and dessert powders, milk extenders, and cereals. Quantities for 1960-66 were estimated in part by Consumer and Food Economics Institute.

vitamin B_{12}. The remaining 5 nutrients fluctuated no more than 1 percent.

NUTRIENT FAT

Twenty-five Year Trend

Nutrient fat is currently at a level of 156 grams per capita per day compared with 141 grams in 1947-49. The level fluctuated upward until the mid-1960's and then rose steadily until 1972 when it reached 158 grams (fig. 11). Since 1947-49, total nutrient fat has increased almost 11 percent. The increased use of food fats from vegetable sources accounts for this upward trend. Vegetable sources provided over 25 percent of the total in the 1947-49 period compared with 35 percent in 1967 and over 40 percent today. While the increase in fat from vegetable sources is considerable, fat from animal sources continues to contribute the largest percentage. However, the proportion provided by animal sources declined to a low of 60 percent in 1973, down from 75 percent in 1947-49 (table 10).

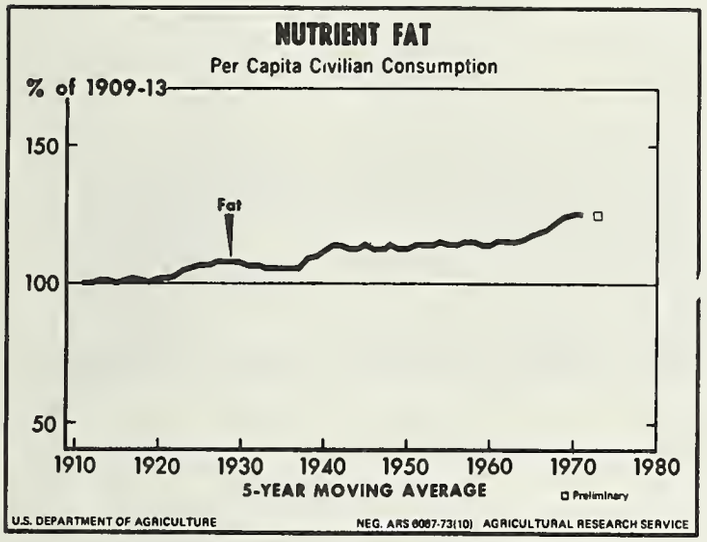

Figure 11

Sources of Fat

A review of the sources of nutrient fat provided by foods within three food groups—fats and oils; meat, poultry, and fish; and dairy products—reveals marked changes since 1947-49. These food groups together provide 90 percent of the total fat in the food supply.

Fats and Oils Group.—Fats and oils are the largest contributors of nutrient fat and the share they contribute is increasing. Today these foods provide 43 percent of the total compared with 37 percent 25 years ago. Since 1947-49, major shifts in consumption of foods have taken place within this group. Use of salad and cooking oils has doubled between 1947-49 and 1967, and increased an additional one-third since that time. As a result, their share of the fat provided by the fats and oils group is now 38 percent compared with 31 percent in 1967 and 17 percent in 1947-49.

Nutrient fat provided by butter and direct use of lard declined to a record low as consumption of these foods continued to drop (table 11). These food fats are being replaced by margarine and shortening. In 1947-49, the quantity of nutrient fat from butter and margarine was almost 11 and 6 grams per capita per day, respectively. By 1967, the amount of fat contributed by these foods was reversed. The quantity of fat provided by butter in 1973 is almost 5 grams and by margarine more than 11 grams per capita per day. However, the shift in use of these products has not affected their combined consumption which has changed little over 25 years.

The decline in nutrient fat provided by the direct use of lard (lard as lard) has been considerable, from 15.4 grams per capita per day in 1947-49 to 3.9 grams in 1973. However, this decrease has been offset to some degree by the increase since 1947-49 in the indirect use of lard in margarine and shortening, with the latter providing the larger share. Such use, amounting to 3.3 grams, now accounts for about half the nutrient fat provided by lard (table 11).

Meat, Poultry, and Fish.—This group of foods is the second largest contributor of nutrient fat in the food supply (tables 10, 12). For 25 years their contribution to total fat has fluctuated within a narrow range, between 33 and 36 percent. The share provided in 1973, 34 percent, is lower than it has been in recent years chiefly because of the drop in meat consumption.

Consumption of beef and pork, the two main foods comprising this food group, has shifted since 1947-49. During this period, consumption of beef surpassed that of pork for the first time in 1953. The quantity of nutrient fat provided by beef is now more than 70 percent greater and pork 8 percent less than in 1947-49. Beef now furnishes 19 grams and pork 27 grams of nutrient fat per capita per day. Contribution of beef to total nutrient fat is now 12 percent compared with 8 percent in the earlier period. Pork now contributes 17 percent compared with 21 percent in 1947-49. Despite the large increase in beef consumption, and accompanying nutrient fat, pork still provides a larger share of total fat in the food supply than beef.

Poultry and fish, foods low in nutrient fat, have consistently provided about 2 and 1 percent of total nutrient fat, respectively.

Dairy Products.—The dairy products group, excluding butter, is a smaller contributor to nutrient fat in the food supply than the two food groups discussed above, and its contribution is decreasing—from 17 percent in 1947-49 to 13 percent today. Lower consumption of fluid whole milk and cream has resulted in declines in the share of nutrient fat they provide, 10 and 2 percent, respectively, in the

Table 10.--Nutrient fat available per capita per day, and sources of fat, selected periods

Year	Fat	Animal sources					Vegetable sources				
		Meat, poultry, fish	Eggs	Dairy products, excluding butter	Butter and lard 1/	Total 2/	Other fats and oils 3/	Dry beans, peas, nuts, soya products	Flour and cereal products	Other foods	Total 2/
	Grams	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1947-49	141	33.5	4.3	17.3	19.5	74.6	17.8	3.4	1.9	2.4	25.6
1957-59	143	33.0	4.0	16.5	17.1	70.6	22.3	3.2	1.5	2.3	29.3
1967	150	35.0	3.5	13.5	13.1	65.0	27.8	3.6	1.4	2.2	35.0
1971	158	36.4	3.2	12.4	11.1	63.1	29.9	3.6	1.3	2.0	36.9
1972	153	35.3	3.1	12.6	10.0	61.1	31.8	3.6	1.3	2.2	38.9
1973 4/	156	34.2	3.0	12.9	9.5	59.6	33.2	3.7	1.3	2.1	40.4

1/ Includes small amounts of edible beef fats.

2/ Components may not add to total due to rounding.

3/ Includes margarine and shortening minus lard used in their manufacture, salad and cooking oils.

4/ Preliminary.

Table 11.--Sources of nutrient fat in fats and oils group, per capita per day, selected periods

Year	Animal sources								Vegetable sources				
		Lard				Edible beef fats							
	Butter	Direct use 1/	Indirect use: Shortening	Indirect use: Margarine	Total 2/	Shortening	Margarine	Total 2/	Total 2/	Margarine	Shortening	Salad and cooking oils	Total 2/
	Grams	Grams	Grams	Grams	Grams	Grams	Grams	Grams	Grams	Grams	Grams	Grams	Grams
1947-49	10.6	15.4	1.0	0.0	16.4	0.4	0.1	0.5	27.5	5.5	10.6	9.1	25.2
1957-59	8.2	11.5	2.9	.1	14.5	1.6	.1	1.8	24.5	8.7	9.7	13.5	31.9
1967	5.5	6.7	3.6	.8	11.1	2.9	.1	3.0	19.6	9.7	13.2	18.8	41.6
1971	5.1	5.3	3.1	1.0	9.4	2.9	.1	3.0	17.6	10.0	14.9	22.4	47.3
1972	4.9	4.7	2.6	.7	8.1	2.8	.0	2.8	15.8	10.6	15.3	24.4	50.3
1973 3/	4.7	3.9	2.6	.7	7.2	2.8	.0	2.8	14.7	10.6	15.6	25.5	51.7

1/ Use of lard as lard.

2/ Components may not add to total due to rounding.

3/ Preliminary.

Table 12.--Contribution of major food groups to nutrient supplies available for civilian consumption, 1957-59 average and 1973 1/

Food groups	Food energy	Protein	Fat	Carbohydrate	Calcium	Phosphorus	Iron	Magnesium	Vitamin A value	Thiamin	Riboflavin	Niacin	Vitamin B_6	Vitamin B_{12}	Ascorbic acid
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1957-59 Average															
Meat (including pork fat cuts), poultry, and fish	18.2	35.7	33.0	0.1	3.2	22.0	27.1	10.9	19.9	27.4	21.2	42.3	39.8	64.9	1.1
Eggs	2.6	6.8	4.0	.1	2.8	6.8	7.1	1.6	7.3	2.8	6.5	.1	2.7	11.2	0
Dairy products, excluding butter	13.5	24.5	16.5	7.7	76.6	38.8	2.3	23.3	12.7	10.5	45.3	2.0	11.3	23.9	5.2
Fats and oils, including butter	16.0	.1	39.4	(2)	.4	.2	0	.3	8.7	0	0	0	.1	0	0
Citrus fruits	.7	.4	.1	1.5	.8	.6	.8	1.7	1.1	2.1	.4	.7	1.2	0	22.1
Other fruits	2.6	.8	.3	5.6	1.3	1.3	4.4	4.4	6.9	2.2	1.8	2.3	6.9	0	10.9
Potatoes and sweetpotatoes	2.8	2.4	.1	5.3	1.0	3.9	4.3	7.2	8.3	6.4	1.9	7.6	13.6	0	20.6
Dark green and deep yellow vegetables	.3	.5	(2)	.5	1.6	.7	1.9	2.3	20.7	.9	1.2	.7	2.0	0	9.2
Other vegetables, including tomatoes	2.3	3.3	.4	4.2	4.6	4.7	9.1	10.2	13.8	6.9	4.4	6.2	9.9	0	30.8
Dry beans and peas, nuts, soya flour	2.9	5.2	3.2	2.3	2.6	5.7	7.4	10.8	(2)	6.0	1.9	6.3	4.7	0	(2)
Flour and cereal products	21.4	19.9	1.5	37.6	3.3	13.1	28.2	18.4	.4	34.8	14.6	25.2	7.6	0	0
Sugars and other sweeteners	15.8	(2)	0	34.2	.8	.2	4.3	.2	0	(2)	.1	(2)	.1	0	(2)
Miscellaneous 3/	.8	.4	1.4	.7	1.1	2.0	3.0	8.6	(2)	.1	.8	6.4	.1	0	0
Total 4/	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1973 5/															
Meat (including pork fat cuts), poultry and fish	19.9	41.2	34.2	.1	3.5	25.9	29.3	13.6	22.2	27.7	24.2	45.7	45.6	68.9	1.1
Eggs	2.0	5.3	3.0	.1	2.3	5.5	5.4	1.3	6.1	2.3	5.2	.1	2.0	8.5	0
Dairy products, excluding butter	11.6	23.1	12.9	6.9	76.5	37.0	2.4	22.4	13.2	9.5	41.7	1.6	10.6	21.0	4.1
Fats and oils, including butter	17.9	.1	42.7	(2)	.4	.2	0	.4	8.1	0	0	0	0	0	0
Citrus fruits	.9	.5	.1	1.9	.9	.7	.8	2.2	1.5	2.8	.5	.9	1.2	0	25.9
Other fruits	2.2	.6	.3	4.8	1.2	1.1	3.4	4.0	5.9	1.8	1.5	1.7	5.7	0	12.1
Potatoes and sweetpotatoes	2.7	2.3	.1	5.3	.9	3.8	4.4	7.0	4.8	6.1	1.6	7.0	11.1	0	17.9
Dark green and deep yellow vegetables	.3	.4	(2)	.5	1.5	.6	1.6	2.1	20.7	.9	1.1	.7	1.7	0	8.3
Other vegetables, including tomatoes	2.5	3.2	.4	4.6	4.7	4.9	9.0	10.2	15.0	6.8	4.4	5.9	9.0	0	27.3
Dry beans and peas, nuts, soya flour	2.9	5.0	3.7	2.0	2.6	5.7	6.0	10.9	(2)	5.2	1.8	7.0	4.0	0	(2)
Flour and cereal products	19.3	17.8	1.3	35.0	3.3	12.4	28.9	17.8	.4	36.8	17.2	24.3	8.9	1.5	0
Sugars and other sweeteners	17.1	(2)	0	38.1	1.2	.3	6.2	.2	0	(2)	(2)	(2)	0	0	(2)
Miscellaneous 3/	.7	.4	1.3	.6	1.0	1.8	2.5	7.9	2.3	.1	.7	5.0	.1	0	3.6
Total 4/	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Percentages for food groups are based on nutrient data included in totals in table 10. 2/ Less than 0.05 percent. 3/ Coffee and chocolate liquor equivalent of cocoa beans and fortification of products not assigned to a specific food group. 4/ Components may not add to total due to rounding. 5/ Preliminary.

early period compared with 6 and less than 1 percent, respectively, in 1973. At the same time, use of low-fat milks more than doubled, and use of evaporated and condensed milks declined about 60 percent. Although the percentage contribution of these products to total fat has always been small, the contribution from fluid low-fat milks now is more than 3 times greater than 25 years ago. This increase was counterbalanced by a reduction in the contribution from canned milks.

Consumption of some dairy items has increased. Cheese now provides 26 percent of the nutrient fat to this group compared with 11 percent in 1947-49, and frozen desserts provide 12 percent, up from 10 percent.

Fatty Acids

The fatty acid content of the food supply has been changed by the increased amount of nutrient fat as well as by shifts in sources of fat. Since 1947-49, the levels for fatty acids have increased but not equally.

The net change in the level for saturated fatty acids has been slight despite major shifts in food consumption. Currently, the level is 55 grams per capita per day, almost 1 gram more than in 1947-49.

Shifts in food consumption, however, did result in raising levels for unsaturated fatty acids. A marked change occurred for linoleic acid, with the level rising steadily from 15 to 24 grams per capita per day in 25 years. This increase is accounted for by greater use of salad and cooking oils, for the most part, and also greater use of margarine and shortening.

Over this time period, there has been a smaller gain in oleic acid, from 58 to 62 grams per capita per day. Greater use of salad and cooking oils, margarine and shortening, and beef contributed to this increase.

Table 13.--Wholesale food price indexes and Wholesale Price Index, selected periods 1/
(1967=100)

Year and month	Farm products					Processed foods and feeds											
	Eggs	Fresh and dried fruits and vegetables 2/	Total 3/	Meats: Beef and veal	Meats: Pork	Meats: Total	Poultry	Fish	Dairy	Processed fruits and vegetables 2/	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages 4/	Total 5/	All food 6/	Industrial commodities 7/	All commodities
1960	122.4	99.0	97.2	95.1	86.6	91.8	116.2	81.4	86.1	92.8	88.7	88.1	90.1	92.8	89.5	92.1	95.3	94.9
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	111.4	106.6	102.5	104.2	98.5	102.2	105.8	108.1	104.8	106.5	98.1	100.9	102.8	102.8	102.2	103.4	102.5	102.5
1969	133.9	109.3	109.1	112.9	110.8	113.3	113.6	118.6	108.2	107.9	101.5	102.6	109.4	106.0	107.3	109.6	106.0	106.5
1970	126.8	111.6	111.0	114.5	111.7	115.0	113.3	125.1	111.2	110.4	111.8	107.6	115.9	112.9	112.0	113.5	110.0	110.4
1971	100.8	120.1	112.9	124.1	99.5	114.1	112.4	137.0	115.4	114.3	121.1	111.4	119.2	115.8	114.3	115.5	114.0	113.9
1972	103.7	127.6	125.0	133.4	122.1	128.5	115.8	159.5	118.6	119.7	121.2	114.7	121.6	118.0	120.8	121.8	117.9	119.1
January	92.6	124.9	117.8	134.2	114.5	124.2	108.3	156.3	117.3	116.0	121.7	112.2	120.1	116.4	117.2	118.9	115.9	116.3
February	91.9	127.5	120.7	137.1	121.4	129.5	116.2	156.2	117.5	116.1	121.1	112.4	121.1	116.8	118.8	120.8	116.5	117.3
March	107.7	112.8	119.7	134.0	111.5	124.8	117.5	160.1	118.0	116.7	120.8	112.6	121.9	116.7	118.6	119.3	116.9	117.4
April	87.2	117.6	119.1	128.9	109.1	121.3	106.5	163.8	117.5	118.3	120.7	112.8	121.1	117.2	117.7	118.0	117.3	117.5
May	90.6	120.6	122.2	133.1	115.7	125.9	109.3	155.1	117.4	119.0	120.7	113.3	120.8	117.2	118.6	119.4	117.6	118.2
June	91.9	121.7	124.0	139.6	121.4	131.1	115.1	153.1	115.3	119.5	121.5	113.3	121.3	117.8	119.6	120.7	117.9	118.8
July	102.2	129.9	128.0	139.9	129.3	134.4	127.4	157.3	117.7	119.6	121.4	113.6	122.2	117.9	121.5	123.4	118.1	119.7
August	99.3	138.9	128.2	133.4	128.1	131.4	118.1	156.2	118.6	120.2	121.5	115.3	121.3	118.9	121.0	123.3	118.5	119.9
Septembsr	114.9	138.1	128.6	130.0	127.5	129.7	122.1	159.9	119.0	120.1	121.5	116.1	121.6	119.1	121.8	123.9	118.7	120.2
October	99.1	122.8	125.5	128.3	127.8	128.7	117.1	161.2	120.0	121.8	123.2	116.9	123.5	118.8	121.8	122.3	118.8	120.0
November	123.1	141.8	128.8	124.6	122.5	124.7	116.2	169.2	121.8	123.8	121.6	118.3	121.7	119.4	123.1	124.2	119.1	120.7
December	143.9	134.6	137.5	138.0	136.1	135.7	115.7	165.7	123.0	124.7	119.2	120.1	122.1	119.7	129.4	127.3	119.4	122.9
1973																		
January	158.2	151.2	144.2	145.5	145.4	143.1	135.4	174.5	123.8	125.3	119.7	121.0	121.5	119.8	132.4	132.0	120.0	124.5
February	130.1	146.9	150.9	158.5	150.6	152.4	142.5	172.0	124.0	125.9	122.2	120.8	124.4	120.0	137.0	133.9	121.3	126.9
March	152.6	158.5	160.9	168.2	156.8	163.5	169.4	174.7	126.8	126.2	127.0	121.3	125.7	120.8	141.4	140.4	122.7	129.7
April	144.9	176.0	160.6	167.5	143.8	158.7	184.7	176.6	127.2	126.6	125.6	123.7	126.9	121.4	139.8	141.6	124.4	130.7
May	137.1	186.0	170.4	166.1	147.3	158.4	177.6	180.3	126.5	127.2	131.6	124.3	129.0	121.9	145.0	142.6	125.8	133.5
June	159.4	197.5	182.3	169.5	150.8	161.9	180.1	173.6	127.5	127.9	137.4	125.9	131.0	121.4	151.8	146.0	126.9	136.7
July	155.2	187.8	173.3	171.6	160.3	165.8	184.1	186.6	127.1	127.7	137.2	125.5	131.1	121.1	146.5	146.7	126.9	134.9
August	209.6	162.2	213.3	171.6	207.7	192.1	248.5	193.6	131.3	129.3	161.6	136.2	135.7	121.2	166.2	160.2	127.4	142.7
September	191.5	149.0	200.4	181.9	175.6	181.6	215.1	203.6	137.2	130.0	160.1	147.7	136.9	121.6	156.3	156.4	128.1	140.2
	Seasonally adjusted																	
1972																		
January	84.5	122.2	117.9	135.8	112.6	125.2	108.6	152.1	117.4	116.3	121.6	---	120.1	---	117.1	118.4	---	---
February	92.2	123.8	118.8	135.1	120.7	129.2	112.5	152.8	117.7	116.3	120.5	---	121.6	---	118.1	120.5	---	---
March	104.8	109.5	118.3	130.6	114.1	123.6	112.3	157.5	118.6	117.3	120.3	---	122.4	---	118.4	118.6	---	---
April	95.9	118.4	119.2	127.8	115.4	120.9	108.3	162.7	117.3	118.3	120.5	---	121.8	---	118.1	118.6	---	---
May	110.4	114.4	120.9	130.0	117.5	125.7	109.4	157.5	116.9	118.6	121.2	---	121.2	---	118.5	119.5	---	---
June	106.2	116.7	121.8	135.7	117.9	128.1	113.7	154.3	115.0	119.0	121.7	---	121.4	---	119.1	120.0	---	---
July	98.8	133.5	125.5	133.9	119.8	128.5	120.0	157.9	117.6	119.1	121.9	---	121.5	---	119.9	121.8	---	---
August	108.1	144.4	128.7	133.3	123.6	129.5	117.8	158.8	118.7	119.7	122.0	---	120.7	---	120.5	123.3	---	---
September	103.0	139.8	130.7	132.5	125.7	130.1	119.1	161.8	119.4	120.2	122.2	---	121.1	---	121.9	123.3	---	---
October	105.7	134.9	128.6	134.5	128.6	132.1	120.7	165.5	120.1	122.2	123.0	---	122.4	---	122.8	124.3	---	---
November	116.2	141.2	132.4	130.8	129.8	129.9	121.0	167.8	121.8	123.7	121.0	---	121.9	---	124.5	125.2	---	---
December	118.0	135.8	137.8	141.8	140.2	139.6	127.3	165.9	122.6	124.9	119.1	---	122.7	---	130.4	128.0	---	---
1973																		
January	144.3	147.9	144.3	147.4	143.0	144.2	136.1	169.8	123.9	125.7	119.6	---	121.5	---	132.3	131.6	---	---
February	130.5	142.6	148.5	155.5	149.6	151.7	137.8	168.4	124.2	126.2	121.6	---	124.9	---	136.2	133.6	---	---
March	148.4	153.9	159.0	163.8	160.3	161.9	161.6	171.9	127.4	126.8	126.5	---	126.2	---	141.1	139.6	---	---
April	159.4	177.2	160.8	166.3	152.0	158.0	187.9	175.1	126.9	126.6	125.3	---	127.7	---	140.2	142.3	---	---
May	167.0	176.5	168.5	162.2	149.5	158.1	177.8	183.0	126.0	126.8	132.1	---	129.4	---	144.9	142.7	---	---
June	184.3	189.4	179.1	164.7	146.4	158.1	178.0	175.0	127.1	127.4	137.7	---	131.1	---	151.2	145.3	---	---
July	150.1	193.0	169.9	164.2	148.6	158.5	173.5	187.3	127.0	127.2	137.8	---	130.3	---	144.6	144.8	---	---
August	228.1	168.6	214.2	171.6	200.3	189.4	248.0	196.7	131.4	128.8	162.2	---	135.0	---	165.5	160.2	---	---
September	171.7	150.8	203.7	185.4	173.2	182.1	209.9	206.1	137.6	130.1	161.1	---	136.4	---	156.5	155.8	---	---

1/ For earlier annual data (1957-59 reference base), see Food Consumption, Prices and Expenditures, Agricultural Economic Report No. 138, table 106. 2/ Includes potatoes. 3/ In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. 4/ Includes alcoholic beverages. 5/ Includes animal fats and oils, crude and refined vegetable oils, manufactured animal feed, and miscellaneous processed foods in addition to items listed separately. 6/ All food includes all processed foods (omitting soft drinks, alcoholic beverages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from the farm products group. 7/ Prior to 1967, includes manufactured animal feeds, soft drinks, and alcoholic beverages.

Bureau of Labor Statistics.

Table 14.--Retail food price indexes and Consumer Price Index, selected periods 1/
(1967=100)

Year and month	Food at home																	Consumer Price Index, less food	Consumer Price Index
	Meats								Fruits and vegetables							Food away from home	All food		
	Beef and veal	Pork	Total 2/	Poultry	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fresh	Processed	Total	Cereal and bakery products	Sugar and sweets	Beverages	Total				
1960	92.1	81.7	87.2	106.9	85.0	113.2	88.4	86.5	84.6	92.9	88.3	87.1	90.1	91.5	89.6	81.4	88.0	88.8	88.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.1	100.2	102.3	103.1	101.6	107.8	103.3	97.7	109.4	105.6	107.9	100.4	103.4	101.9	103.2	105.2	103.6	104.4	104.2
1969	114.5	109.1	111.4	109.0	107.2	126.8	106.7	97.9	111.1	106.5	109.3	103.3	109.1	104.6	108.2	111.6	108.9	110.1	109.8
1970	119.5	115.9	117.6	108.4	118.0	125.6	111.8	105.3	116.3	109.2	113.4	108.9	115.1	117.4	113.7	119.9	114.9	116.7	116.3
1971	124.9	105.0	116.7	109.0	130.2	108.4	115.3	115.2	121.0	116.2	119.1	113.9	119.3	121.6	116.4	126.1	118.4	122.1	121.3
1972	136.6	121.6	129.2	110.4	141.9	107.7	117.1	116.6	128.0	120.5	125.0	114.7	120.9	121.3	121.6	131.1	123.5	125.8	125.3
January	130.8	109.2	121.1	108.4	134.7	108.0	116.4	117.2	122.1	119.2	120.9	113.7	120.1	120.4	118.2	128.6	120.3	124.0	123.2
February	136.1	119.4	127.5	110.7	137.0	101.4	116.9	117.7	126.8	119.5	123.9	114.3	120.5	120.7	120.5	128.9	122.2	124.2	123.8
March	137.1	118.2	127.9	111.6	138.3	107.5	117.3	118.3	122.3	119.9	121.4	114.8	121.2	120.9	120.6	129.4	122.4	124.5	124.0
April	135.9	116.7	126.9	109.4	139.8	102.9	117.4	118.0	123.2	120.3	122.1	115.0	121.4	120.9	120.4	130.0	122.4	124.9	124.3
May	134.1	115.4	125.6	108.4	140.2	101.7	117.3	117.6	126.7	119.8	123.9	114.7	121.4	121.0	120.2	130.4	122.3	125.4	124.7
June	135.8	118.0	127.5	108.9	141.3	94.2	117.0	117.1	132.2	119.9	127.2	114.5	120.6	120.5	120.9	130.9	123.0	125.7	125.0
July	139.4	124.0	131.3	111.8	142.0	101.9	116.8	115.7	134.1	120.0	128.4	114.4	120.4	120.3	122.4	131.3	124.2	125.9	125.5
August	140.2	125.4	132.5	110.6	142.8	105.0	116.6	115.6	133.4	120.2	128.1	114.4	120.5	120.6	122.7	131.9	124.6	126.1	125.7
September	138.3	127.1	132.3	112.6	144.4	114.0	116.9	115.8	128.9	121.0	125.7	114.6	120.7	121.7	122.8	132.5	124.8	126.7	126.2
October	137.3	129.2	132.7	112.0	145.8	114.5	117.1	115.9	126.7	121.2	124.5	114.6	120.9	122.6	122.8	132.8	124.9	127.1	126.6
November	137.7	128.6	132.9	110.2	148.0	113.6	117.7	115.6	129.5	122.1	126.5	115.0	121.1	122.9	123.4	133.3	125.4	127.4	126.9
December	136.8	128.4	132.5	110.2	148.6	128.0	118.3	115.3	130.6	122.4	127.3	115.8	121.4	123.1	124.1	133.7	126.0	127.6	127.3
1973																			
January	142.9	135.0	137.7	116.1	149.2	151.6	119.1	114.6	135.5	123.1	130.5	116.3	121.7	123.9	127.2	134.2	128.6	127.4	127.7
February	152.3	142.2	145.2	120.7	151.3	141.2	121.0	114.9	139.8	123.7	133.3	117.8	122.8	125.6	130.1	134.7	131.1	127.9	128.6
March	160.2	149.8	153.0	150.7	152.8	136.2	121.5	115.5	145.1	124.5	136.8	119.0	124.0	126.4	134.2	135.7	134.5	128.4	129.8
April	162.9	150.7	156.1	150.1	156.1	138.8	121.8	118.1	152.6	125.7	141.8	120.2	125.3	127.2	136.4	137.0	136.5	129.1	130.7
May	162.7	150.0	155.9	150.4	160.2	138.7	123.2	120.1	156.9	126.3	144.6	122.1	126.3	129.5	137.6	138.9	137.9	129.7	131.5
June	163.5	151.4	156.7	150.8	163.7	146.6	124.1	122.7	168.2	127.2	151.7	123.0	127.6	131.4	139.9	139.8	139.8	130.3	132.4
July	164.3	153.4	157.8	154.6	163.8	151.3	124.1	123.0	171.3	127.6	153.7	123.5	127.9	131.7	140.9	140.9	140.9	130.4	132.7
August	175.4	197.0	180.0	225.4	165.2	198.4	126.6	125.5	168.4	129.1	152.6	124.7	128.8	131.9	151.3	142.4	149.4	130.9	135.1
September	177.0	191.3	180.8	185.9	167.1	188.4	130.3	135.3	141.3	131.2	137.3	132.4	129.6	132.1	149.2	145.1	148.3	131.8	135.5
	Seasonally adjusted																		
1972																			
January	132.1	110.8	122.3	109.6	134.6	97.7	5/	---	123.5	119.1	122.0	113.8	120.2	120.6	118.6	128.7	120.5	124.1	123.4
February	137.5	120.6	128.7	110.9	136.6	97.3	5/	---	129.5	119.6	125.4	114.3	120.7	120.7	120.7	129.0	122.4	124.4	123.9
March	137.2	117.7	127.8	110.6	138.0	105.8	5/	---	122.1	120.0	121.3	114.6	121.2	120.9	120.7	129.7	122.4	124.6	124.1
April	134.6	117.3	126.4	109.3	139.4	103.3	5/	---	121.3	120.2	120.9	114.7	121.3	120.8	120.2	130.0	122.3	124.9	124.3
May	133.4	117.3	126.0	108.9	139.9	109.7	5/	---	122.3	119.9	121.4	114.6	121.2	121.0	120.2	130.5	122.3	125.4	124.7
June	135.0	118.6	127.1	107.8	141.2	108.4	5/	---	124.5	120.1	122.7	114.5	120.5	120.3	120.3	131.0	122.5	125.6	124.8
July	137.2	121.7	129.5	109.1	142.3	109.7	5/	---	126.3	120.1	123.8	114.3	120.4	120.2	121.2	131.3	123.3	125.9	125.3
August	138.0	122.2	130.3	108.9	143.1	106.1	5/	---	129.6	120.3	125.8	114.4	120.5	120.5	121.8	131.8	123.9	126.2	125.7
September	137.2	124.4	130.9	110.6	144.8	111.3	5/	---	131.8	120.8	127.4	114.7	120.7	121.9	122.7	132.4	124.8	126.7	126.2
October	138.0	128.0	132.7	112.8	146.1	112.4	5/	---	134.8	121.2	129.3	114.7	121.0	122.5	123.5	132.7	125.5	126.8	126.6
November	139.8	129.8	134.4	112.8	148.6	114.3	5/	---	135.9	122.0	130.1	115.2	121.2	122.9	124.6	133.2	126.4	127.1	127.0
December	139.7	131.0	134.9	113.7	148.3	117.4	5/	---	136.8	122.2	130.4	115.9	121.4	123.3	124.5	133.7	126.3	127.5	127.2
1973																			
January	144.3	136.9	139.1	117.4	149.1	137.2	5/	---	137.0	123.0	131.7	116.4	121.8	124.1	127.6	134.3	128.9	127.5	127.9
February	153.8	143.6	146.5	120.9	150.8	135.5	5/	---	142.8	123.8	134.9	117.8	123.0	125.6	130.4	134.8	131.4	128.2	128.8
March	160.4	149.2	152.8	149.4	152.5	134.1	5/	---	144.8	124.6	136.7	118.8	124.0	126.4	134.3	136.0	134.5	128.5	129.9
April	161.3	151.5	155.5	150.0	155.6	139.4	5/	---	150.2	125.6	140.4	119.8	125.2	127.1	136.1	137.0	136.4	129.1	130.7
May	161.9	152.4	156.4	151.2	159.9	149.6	5/	---	151.4	126.4	141.6	122.0	126.0	129.5	137.6	139.0	137.9	129.7	131.5
June	162.5	152.2	156.2	149.3	163.5	168.7	5/	---	158.4	127.5	146.3	123.0	127.5	131.1	139.2	139.9	139.2	130.2	132.2
July	161.7	150.5	155.6	150.8	164.1	162.9	5/	---	161.3	127.7	148.2	123.4	127.9	131.6	139.5	140.9	139.9	130.4	132.5
August	172.6	192.0	177.0	221.9	165.5	200.4	5/	---	163.7	129.2	149.9	124.7	128.8	131.8	150.2	142.3	148.5	131.0	135.1
September	175.6	187.2	178.8	182.6	167.6	184.0	5/	---	144.5	130.9	139.1	132.5	129.6	132.4	149.1	145.0	148.3	131.8	135.5

1/For earlier annual data (1957-59 reference base), see Food Consumption, Prices, and Expenditures, Agricultural Economic Report No. 138, July 1968. 2/ Beef, veal, lamb and mutton, pork, and processed meat. 3/ Includes butter. 4/ Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI. 5/ Slight seasonal variation statistically insignificant.

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OUTLOOK CONFERENCE SCHEDULED FOR DECEMBER 17-19, 1973

The National Agricultural Outlook Conference has been set for December 17 through 19, 1973, at the U.S. Department of Agriculture in Washington, D.C. This year's Conference is about 2 months earlier than usual to give farmers and farm suppliers more time to plan for 1974 food production.

The 1974 outlook for U.S. agriculture and the general economy will receive particular attention at the Conference. The outlook for farm inputs such as fuel, fertilizer, pesticides, and farm equipment will be stressed. Sessions on the 1974 outlook for major commodities will make up an important part of the Conference as usual. The Conference is sponsored by USDA's Economic Research Service, Extension Service, and Agricultural Research Service.